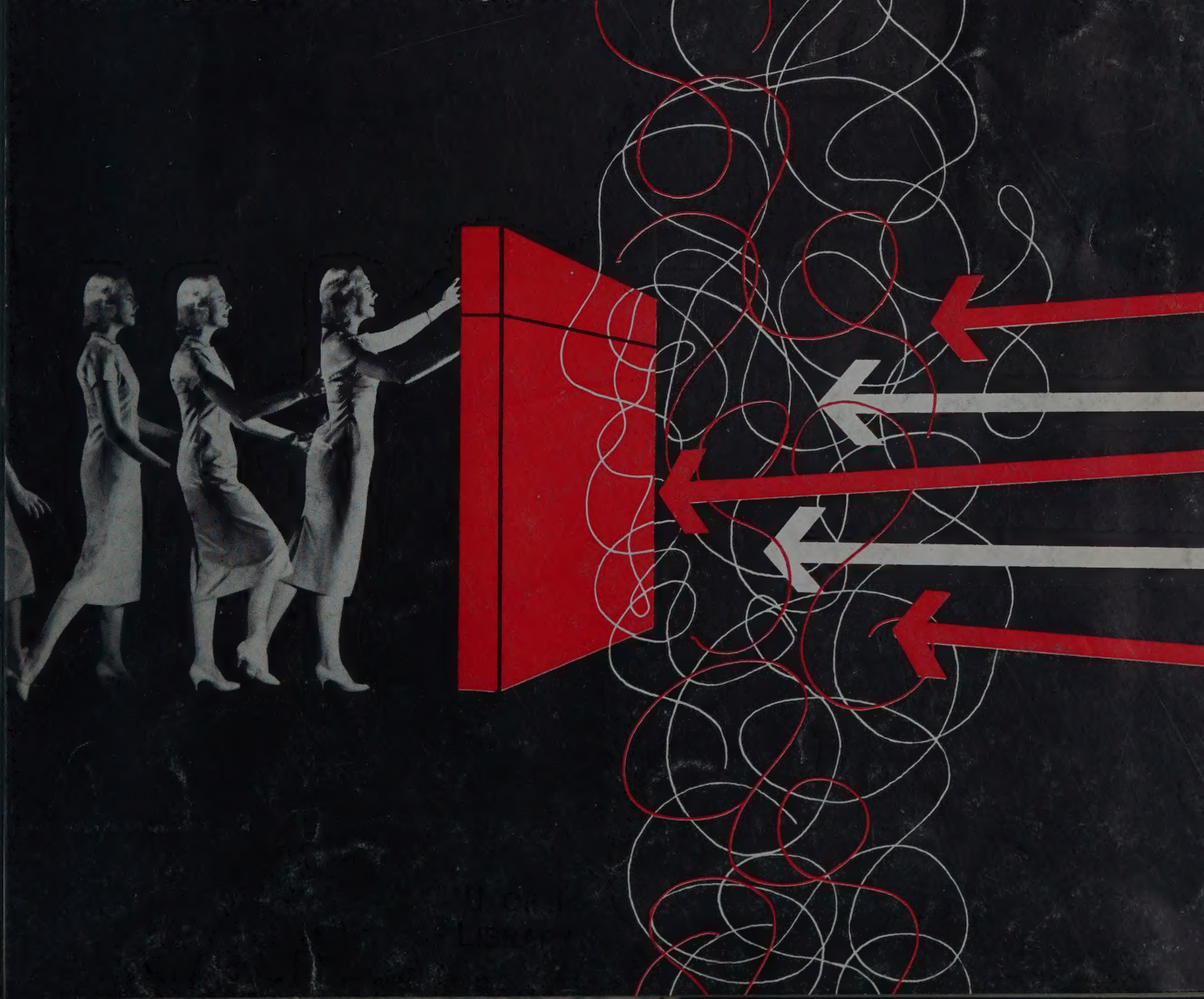
Tide

THE MAGAZINE FOR ADVERTISING EXECUTIVES

JANUARY 10, 1958

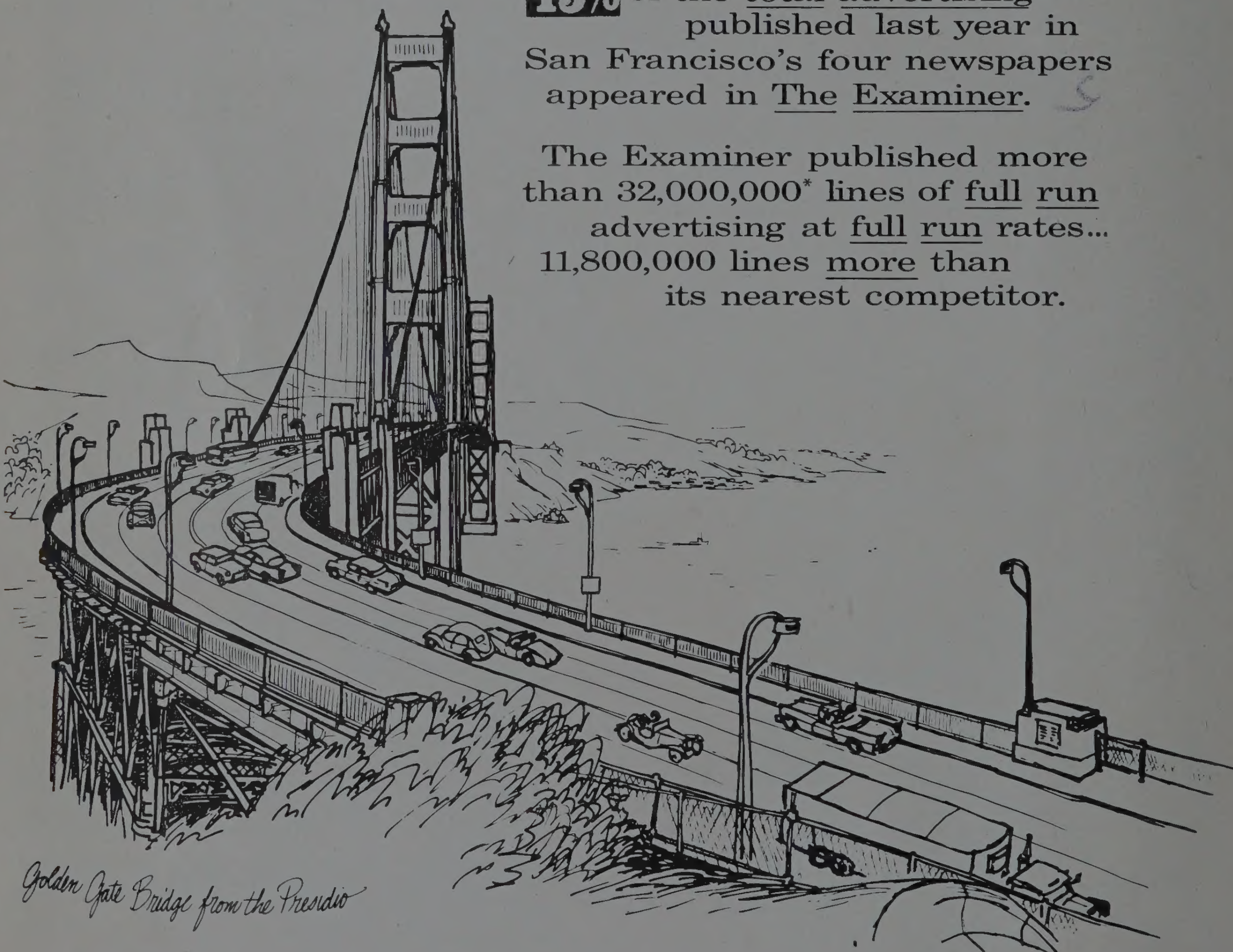


In any market only one newspaper is Newspaper Number One

In San Francisco it's The Examiner

45% of the total advertising published last year in San Francisco's four newspapers appeared in The Examiner.

The Examiner published more than 32,000,000* lines of full run advertising at full run rates... 11,800,000 lines more than its nearest competitor.



Golden Gate Bridge from the Presidio

More circulation in northern California than any other newspaper - daily or Sunday.

The San Francisco Examiner

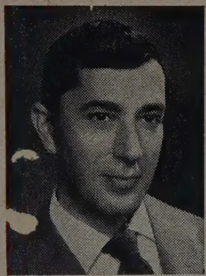
*Media Records

REPRESENTED NATIONALLY BY HEARST ADVERTISING SERVICE INC.

Tide

JANUARY 10, 1958 • VOL. 32, NO. 1 • FIFTY CENTS

About the cover



Art Director: **William Jacoby**
Emil Mogul Co., Inc.

William Jacoby's cover design symbolizes the idea that media advertising (represented by the red arrow in the center) is, or should be, not an isolated activity, but the spearhead of a closely-linked series of forces exerting persuasive pressures on the increasingly resistant consumer. These other interlocking forces, represented by the remaining arrows, include research, public relations, marketing and salesmanship. The arrows are shown penetrating a maze of indifference, reluctance, lack of knowledge, confusion, apathy and smugness and other consumer states of mind. Once the maze is penetrated by the related forces, the product (represented by the red carton) finds eager hands reaching for it.

Jacoby, who as executive art director and vice-president heads the agency's art department, has been with Mogul for seven years. Previous to joining the agency, he worked as art director for the Kudner agency and Abbott Kimball.

A native New Yorker, Jacoby graduated from Pratt Institute in Brooklyn 18 years ago. Subsequently, he studied during the evenings at the New School in Manhattan.

The art director lives in Rockville Center (Long Island) with his wife and 11-year-old son. Hobbies include building miniature trains for his son, and painting. The painting, Jacoby says, is purely for relaxation. "No one can tell me to move something over 1/8 of an inch," he adds with a smile.

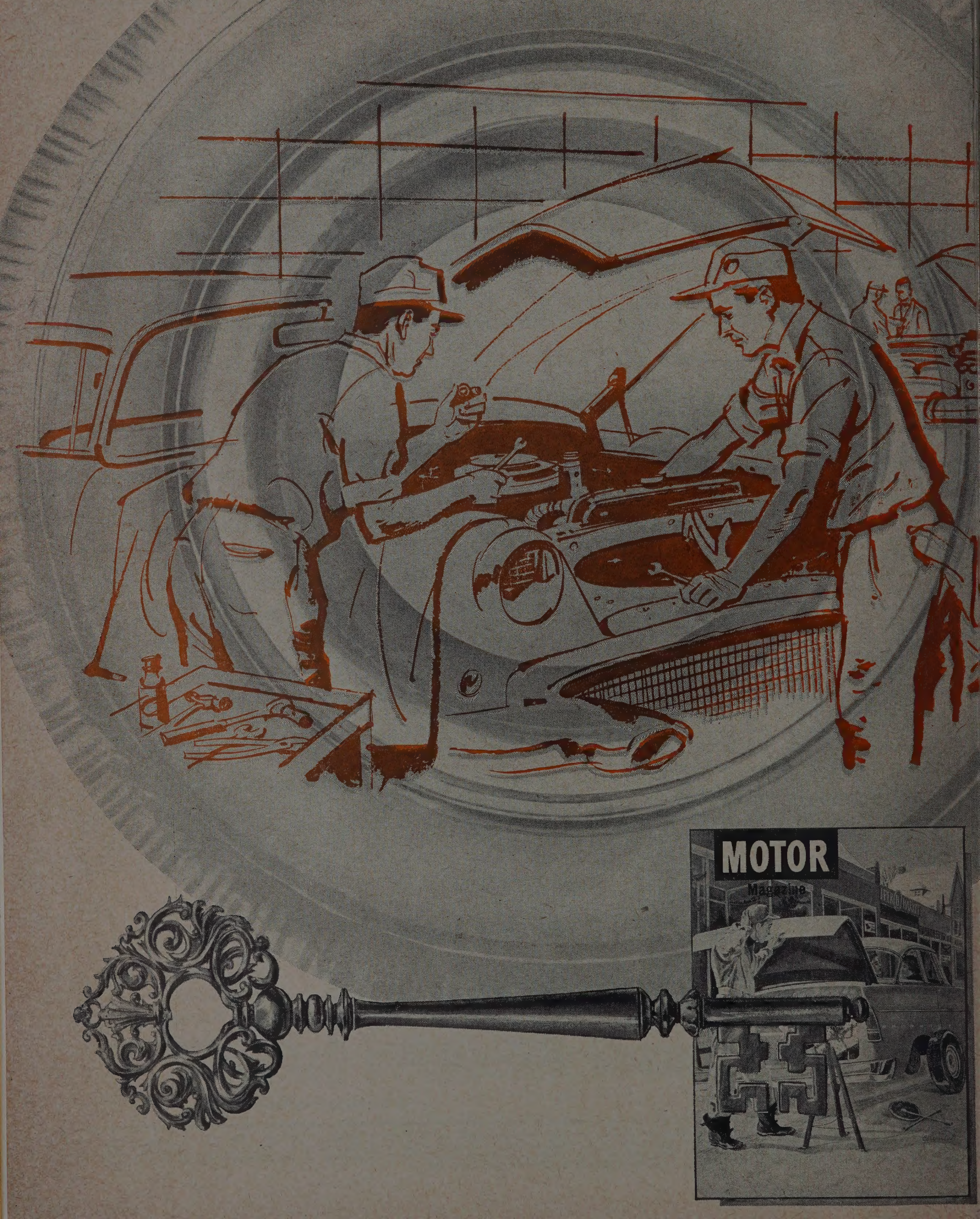
in this issue

every issue

A BILL BROTHERS PUBLICATION

● TIDE is published twice monthly, on the second and fourth Fridays of each month by Executive Publications, Inc., 386 Fourth Ave., New York 16, N.Y. Publication office: 2160 Patterson St., Cincinnati 22, Ohio. Single copies 50¢. Subscription $6.50 a year in the U.S., its possessions and Canada. $13.00 in all other countries. Entered as second class matter Post Office, Cincinnati, Ohio. Send all notices of undeliverable copies to TIDE, 386 Fourth Ave., New York 16, N.Y. Printed in the U.S.A.

A Hearst Magazine is



LETTERS

Small cars

Sirs:

We got quite a bang out of Tidings in the November 22, 1957, issue.

I refer specifically to the survey of Volkswagen owners run by an unnamed Big Three auto manufacturer. The results of this Big Three survey so closely paralleled the results of our survey that I felt you might be interested in our findings as well.

At a recent national press conference sponsored by the Edsel Division of the Ford Motor Co., Mr. Breech, chairman of the board, stated that the Ford Motor Co. had no plans at present for producing a small car. However, he said "If it becomes necessary for the people of this country to reduce their standard of living in automobiles—because that is what we're talking about, whether or not you want to crowd your wife and family into a four-seater small car with the gearshift on the floor, so you have to shift gears every time you go around the corner—we will probably have to do something about it." I don't believe that the results of the Volkswagen survey or the results of our survey bear him out.

Our subscribers were surveyed in 1955 and this is what we found: They are a young group, the medium age is 31.4 years. The largest occupation group is the professional (which makes up 34.1% of the total). The average yearly income of subscribers replying to the survey was $10,949.

These subscribers represent a growing group of people in the U. S. who are buying European cars, both sports and economy cars. They are so interested in the imported car market, that 70% of the readers surveyed returned the questionnaire, one of the highest returns ever recorded by the people doing the survey.

Does this sound to you like a group of people who has bought European cars out of economic necessity? I don't think so.

David E. Davis, Jr.
Advertising Manager
Road & Track
Playa Del Rey (Calif.)

Mr. B.

Sirs:

I have been reading your Ebb & Flow column since its inception. It is the most interesting and readable column in your book. But every time I read it I am always disturbed by one question: who writes it?

I first thought it was staff written, but it is obvious from an occasional comment that some agency man somewhere has a hand in it.

I don't know why you are keeping Mr. Billings' identity a secret; I should think he'd be proud to have his name known. At any rate, congratulations to him and to Tide on a fine column.

Harold V. Gray
Chicago

Questions

Sirs:

Your article in the December 13 issue entitled "Progress of a new product" contained some information on which I would appreciate additional comments. The article contains the statement . . . "the combo washer-dryer is sold by at least eight companies altogether . . . (General Electric, Westinghouse, Automatic Washer, Easy, O'Keefe & Merritt, Hotpoint, RCA-Whirlpool and Sears, Roebuck)."

1) Is the Automatic Washer Company mentioned in the article the Newton (Iowa) concern that is now defunct or is there a new concern in the home laundry industry under this title?
2) What brand "combo" does O'Keefe & Merritt produce?
3) In what areas of the country are their machines sold?
4) Are there any other merchandising firms, other than Sears, Roebuck, that sell private brand washer-dryer combinations?

Kenneth P. Uhl
State University of Iowa
Iowa City

The Automatic Washer Co. mentioned in the article is the same concern located in Newton (Iowa); O'Keefe & Merritt makes a gas washer-dryer combination under their own brand name; O'Keefe & Merritt appliances are sold nationally; Montgomery Ward also sells a private brand washer-dryer combination.—Ed.

Requests

Sirs:

On page 30 of your November 8th issue in the feature "One Adman's Opinion" you have illustrated a recent ad on our Eyeglass Hearing Aid and made some very complimentary remarks about it.

May we have your permission to send a reprint of your column to our dealer organization as part of our merchandising program to them? Obviously, it would not be used in any of our consumer maillings.

R. VanBrundt
Advertising Manager
Zenith Radio Corp.
Chicago

Sirs:

I would like permission to print the November 22 article by D. Gordon Graham entitled "A do-it-yourself plan for creative thinking," in the January issue of the Furniture Warehouseman.

The Furniture Warehouseman is the of-

(Continued on page 5)

Tide

EDITORIAL, ADVERTISING & CIRCULATION OFFICES

386 Fourth Ave., New York 16, N. Y.
LExington 2-1760

ABC ABP NBP MPA

Publisher .... Hartley W. Barclay

Editor .... Morgan Browne

Managing Editor .... Alvin W. Outcalt
Asst. Managing Editor .... Kenneth Schwartz
Senior Editor .... Lawrence M. Hughes
Contributing Editors .... Dorothy Diamond
Lester Leber
Carol Bick Tolley
Research Director .... Dr. Jay M. Gould
Associate Editors .... Ephraim Lewis
Edward S. Feldmann
Naomi Ellenbogen Averbach
Midwest Editor .... Elinor Richey
Art Director .... Charles De Simone
Staff Cartoonist .... George W. Booth
Editorial Assistants .... Neil Derrick
Marian Seidner
Manager, Tide Advertising Leadership Panel .... Florence Melody
Reader Service .... H. M. Howard
Photographer .... Lester Cole
Circulation Director .... R. E. Smallwood
Subscription Manager .... Howard Voss

SUBSCRIPTIONS:
U.S. and Canada: $6.50 a year
Foreign: $13.00

Advertising Sales
For offices and personnel see Advertisers' Index.

Officers

President .... John W. Hartman
Chairman, Executive Committee. Philip Salisbury
Executive Vice-President ... Frederick C. Kendall

BILL BROTHERS PUBLICATIONS

Bill Bros. Publications: Fast Food, Floor Covering Profits, Plastics Technology, Premium Practice, Rubber World, Sales Management, Sales Meetings, Tires, Tide.

LETTERS *(Continued)*

ficial publication for the members of the National Furniture Warehousemen's Assn.

Phillip V. Hawkins
Editor
The Furniture Warehouseman
Chicago

Sirs:

We'd very much like permission to reprint in Medical Marketing the article "What retailers want in drug packaging" in the November 22 issue of **Tide.**

Medical Marketing is the external house magazine of "Medical Economics," national business magazine for physicians. It is published bi-monthly for 2,000 advertising, sales, and management executives in the pharmaceutical industry.

Bert Miller
Editor
Medical Marketing
Oradell (N.J.)

With pleasure.—**Ed.**

Baloney

Sirs:

In your December 13 issue you carried a story "Do admen love their wives?" It made good reading, even if it was a lot of baloney.

It should be obvious that if you ask a man whether he loves his wife, he's going to say yes. What else is he going to say—that he hates her? That he sleeps around?

I've enjoyed your Panel stories for years, but it distresses me when you get off the track like this. Let's stick to what the Panel knows about, and can answer honestly.

Harry Mulheimer
Miami

Advertising Sales

Vice-President Sales .... Randy Brown, Jr.
Sales Manager .... Charles Stillman, Jr.
Western Advertising Director .... C. E. Lovejoy, Jr.
Eastern Sales Manager .... John C. Jones, Jr.
Western Sales Manager .... Tom McDonough
Asst. to Sales Vice-President .... Caroline Cioffi
Promotion Manager .... Philip L. Patterson
Production Manager .... Jacqueline Arkin

Division Sales Managers

New York

W. E. Dunsby, Wm. McClenaghan, Howard Terry, Robert Hicks, 386 Fourth Avenue, New York 16, N. Y. LExington 2-1760.

Chicago

W. J. Carmichael, John W. Pearce, Thomas S. Turner, 333 N. Michigan Avenue, Chicago 1, Ill. STate 2-1266; Office Mgr., Vera Lindberg.

Pacific Coast

Warwick S. Carpenter, 15 East de la Guerra, Santa Barbara, Calif. WOodland 2-3612.

EBB & FLOW

by Mr. Billings

Guaranteed to happen in 1958:

At least a dozen conventions will feature speakers who will solemnly announce that "markets are people."

Best Foods' Al Brown will again make the best speech gently needling some of the lunacies in the advertising business.

Spike Seymour will get at least one major publication besides Look to back the Advertising Research Foundation's magazine study.

Baltimore Mayor Tom D'Alesandro will wonder if he is getting an ulcer.

Louis Rosenstiel will again stop all national brand advertising for Schenley and "review and regroup" media strategy.

TV singers will start to sound sour to the viewing public.

Fair trade will get another shot in the head from a major discount house.

Merged agencies will continue to find the going tough.

"The Profit Squeeze" will be the theme of scores of advertising and marketing conventions.

Spot radio availabilities will be tougher to get and the cost will go up.

People will still be wondering if subliminal projection really works on television.

Dozens of letters more will be received by *Tide* saying that Mr. Billings is *Tide's* editor, Morgan Browne, but he isn't.

The New York Journal American's ad column will continue without a by-line.

Arthur Fatt will find some friends also honest enough to admit that they don't invariably use the client's product.

Tide will publish the funniest cartoon on L'Affaire Kolynos.

The Advertising Council will continue to do well with campaigns that ask people to do specific things, but will never get the ideological ones off the ground.

Mrs. Billings will continue to wish that Procter & Gamble or *somebody* would line their large boxes of detergent with plastic (polyethylene) to keep the stuff dry, but they won't.

BBDO's newly elected president Charlie Brower will long for more time to spend on developing good copy.

At least one fist fight will break out on the New Haven between bridge playing commuters.

Not less than a half dozen books will be published knocking advertising.

Somebody will be working somewhere in advertising who could write an honest and decent book on advertising, but he won't.

The 4A's Consultant, Clarence Eldridge, will produce a comprehensive and involved report which disagrees with much of the findings in the Frey report.

No medium will accept an ad direct from the advertiser at the net rate.

Mrs. Billings would like to see Pet and Carnation evaporated milk put in cans that can be opened easily with our 10-dollar can opener or any regular can opener, but she won't.

Aerosol dispensed food and dentrifrices will be a big success.

Mr. Billings will snap at a self-liquidating premium deal if it offers a decent metal or plastic cannister for cereal.

Somebody will invent a simple plastic lock on toilet paper so that the terrible two-year-olds can't unroll it all.

John Hubbley's Maypo commercials will win a flock of awards and Maypo will go national.

Nobody will agree with TV's Emmy awards.

Somebody you know will get mildly stung with a bootleg Volkswagen not made for the American market and which does not meet various state motor vehicle laws.

Dr. Dichter will continue to suggest such space-grabbing but impractical ideas as tweed suits that smell of tobacco.

You'll try to give up cigarets, but your wife will beg you to start again before you lose all your friends.

You'll buy an outdoor barbecue and be glad of it.

Your power mower will break down.

Your wife will go on a diet to lose or gain weight, but she will weigh the same a year from now.

One of your favorite television shows will be dumped.

Kudner will slowly pick up new billing.

More than $100 million in billing will change agencies.

You'll resolve to do your Christmas shopping earlier, but you'll buy at least one gift in a drugstore for a friend you remembered at the last minute.

You'll send Christmas cards to people you don't even know because your wife saved cards from them in 1957.

They'll be fewer office Christmas parties, but somebody you know will get fired for making a pass or telling off the boss at the height of festivities.

Fen Doscher and other sales executives will get tired and say so of advertising executives' comments about "the decline of personal selling."

Henry Schachte, of Lever Brothers, will be "unanimously elected" chairman of the ANA Board of Directors.

Frank Sinatra will get sick of his TV show, and he won't be the only one.

Mary Martin will again prove she's the greatest thing that ever happened to a spectacular.

The bills will still roll in during 1958, but you'll make enough money to pay them—with a little left over.

The agency circuit: Now that Dancer-Fitzgerald-Sample has retired from the Brand Names Foundation campaign in favor of the Maxon Agency, here's hoping *Lou Maxon* will quickly strip the advertising of its aggressive and bellicose character. If Brand Names connote quality, how about having the ads do the same? . . . Congratulations to Grant Advertising for one of the

(Continued on next page)

neatest TV tie-ins in some time. Agency has taken Florists Telegraph Delivery Service into co-sponsorship of "Person to Person." . . . Just as Kolynos used *Arthur Fatt's* TV indiscretions as an "incident" to trigger the account's exit from Grey, we can't help but wonder just how much of a part August's Patterson-Jackson net TV bout played in Buick's exit from Kudner. No doubt, the auto people had some reason to go, but the fact is general manager *E. T. Ragsdale* was very miffed over the fight boo-boo. Said Ragsdale at the time, "As a fight fan I was incensed at the inept handling and bad timing of the commercial." NBC blamed Kudner; Kudner blamed NBC. Who did Buick blame?

★ ★ ★ ★

Watching the watchmaker: The king-sized public relations battle staged in Washington by the domestic watchmakers and the watch importers has come to a sudden and dramatic climax. The domestics' fight to have their industry declared defense essential has ended in defeat with an Office of Defense Mobilization judgment that it just ain't so. The result is, no quotas against watch imports, and powerful competition for the locals. Diehard *Arde Bulova,* however, hasn't given up. To date his supporters have managed to delay an official ODM announcement. But it's all over—for the time being, at least, and it was smart PR operations with the press, the public and the government that scored the victory. . . . *Ken Groesbeck,* ad counselor, due to receive the achievement award of the League of Advertising Agencies at their dinner, January 31. . . . *Allan Barnett* opens Motivation Research Center in Brookline (Mass.), New England's first. . . . Newsweek's December 23 cover, a real departure, was remarkable—and very touching.

★ ★ ★ ★

All those personnel shenanigans at Erwin Wasey Ruthrauff & Ryan bring to mind a very prophetic quote by the venerable *John Orr Young* on the subject of mergers: "Agency executives are a crowd of individuals, as everyone knows. They are charming egotists. To bring them together and give them the right titles is a real trick." Ain't it the truth!

★ ★ ★ ★

When CBS proudly announced a giant two-hour radio spectacular in the spring, they understandably neglected to mention that an agency provided the inspiration. The man behind the most impressive radio event of the decade is *Vic Seydel,* radio-TV director of Anderson & Cairns. Though the budget approaches video proportions, CBS has plans for a mammoth print & air send-off for the Masland Carpets' program. Seydel, being an ex radio man, was not at all surprised to find CBS salivating over this opportunity to put network radio back in the big-time. . . . Motor Age publishers are *not* as nutty as a fruit cake. The proof is the ingenious Christmas promotion they pulled off last month. Media men received a fruit cake pie with a thin slice missing—the 6% slice of the automotive service market not covered by the Chilton book. Clever promotion!

★ ★ ★ ★

You Took the Words Right Out of My Mouth—In Verse Yet!

"When the client moans and sighs,
Make his logo twice the size.
If he still should prove refractory,
Show a picture of the factory."—David Ogilvy.

ADVERTISING FORECAST

The marketing revolution phase II:

J. Walter Thompson, the nation's biggest advertising agency, is taking a major step in fighting phase II of the marketing revolution.

Phase I of the marketing revolution (the 10 postwar years through 1957) was **one of remarkable consumer buying.** The public had the disposable income, and they spent it freely for automobiles (54,000,000), new homes (11,000,000), TV sets (50,000,000) and everything else from basic essentials to big-ticket luxury items.

The 1958 challenge for advertising executives: **do they have the ingenuity, the foresight and the money to meet the problems of a new market, one complicated by population shifts, by new tastes, by consumers who have suddenly become conservative spenders?** In short, can advertisers persuade a consumer whose needs are satisfied **that he has further needs he doesn't even recognize?**

J. Walter Thompson's answer: **a year-long advertising campaign on the theme that advertisers can—and must—meet this challenge.** Based on forecasts by JWT economist Arno Johnson and JWT's interurbia concept (**Tide**—April 26, 1957) the series of ads **points out the marketing potential over the next 10 years and the job advertising must do to accomplish it.**

First ad in the series analyzes **the "habit lag"—the term used to describe the pause that occurs in a family's spending when it takes a big step up the income ladder.** In subsequent months, ads will run in business publications covering the food, finance, automobile and housing industries. In December, the campaign will conclude with another general ad similar to the first ad. The significance of the JWT campaign is in **the influence it may have on advertising executives who doubt their own future** (see p. 15). Watch for other agencies—and a few progressive national advertisers—to take similar steps **to change marketers' attitude from gloom thinking to boom thinking.**

New hope for TV set sales—convertibles:

Latest marketing idea aimed at reviving slumping TV set sales (down 300,000 units in 1957 from 1956's 6,800,000) is **Sylvania Electric Products' new television "convertible"**: a console set that incorporates a removable 21" portable.

The new convertible, due on the market next month, comes in six different models and 12 different colors, will **range in price from $230 to $380.** Reasoning behind Sylvania's move: 1) the conviction that **people buy portability in TV sets but don't use it much**; 2) the set offers **flexibility (plus higher profits) to Sylvania dealers.**

Introductory ads for convertibles (which will make up the biggest part of Sylvania's total ad budget) **will break next month** (via J. Walter Thompson) in consumer magazines, Sylvania's ABC-TV show, "The Real McCoy." **Copy will herald "the world's first TV convertible,"** stress multiple use of TV receiver.

To date, **no other company has a similar model,** and the industry will probably adopt a "wait & see" attitude. The big question: **will a dual purpose set spark sales from sluggish consumers, or will it merely cut into console sales?**

Marketing war in deodorants:

You can expect a new marketing war to break out in the $100 million deodorant industry sometime within the next six months. Reason: Bristol-Myers' anticipated national introduction of Trig, its new roll-on deodorant for men now in test markets.

At the moment **Bristol-Myers' two-year-old Ban (a roll-on for women) is top seller in the whole deodorant field.** Coming up fast, though, are two stick deodorants: Arid (Carter Products) and 5 Day (Associated Products). Moreover, Associated Products recently launched 5 Day roll-on for men, **will probably give Trig some stiff competition.**

Since only 60% of all men use deodorants (compared to 90% of women) **Bristol-Myers doesn't expect Trig to pile up Ban's sales lead,** does expect it to achieve some market penetration.

Right now Bristol-Myers is testing two copy themes in its four Trig test markets (Buffalo, Ft. Wayne, Fresno, Tulsa): 1) "Deodorants are for women. Trig is for men." 2) "New deodorant for men that is easier to apply." BBDO is the agency

A clue to Bristol-Myers' probable ad strategy when Trig goes national: **a saturation TV spot campaign such as built Ban, also launched Bristol-Myers new squeeze-bottle Ipana Plus** some two months ago (**Tide**—Oct. 11, 1957).

Stricter ad curbs for drugs ahead?

There may be stricter federal control of drug & cosmetic advertising in 1958. Why? Sentiment in Congress for stronger control has increased since last summer. It was touched off by the findings of the Blatnik Committee (headed by Rep. John A. Blatnik, Dem.—Minn.) concerning false and misleading advertising.

Though no bills for restrictive legislation have been introduced in Congress to date, **the following categories are likely to be in the Congressional spotlight soon:**

1) **Weight reducers:** It's a good bet that the report attacking weight reducer ads, soon to be released by the House Legal & Monetary Affairs Subcommittee, **will touch off a number of bills to restrict dietary aid advertising claims.**

2) **Drugs:** The expected report on dietary aids may also recommend **prior government approval of drug ads,** suggest that regulatory powers over drug industry promotions be **transferred from the Federal Trade Commission to the Food & Drug Administration.**

3) **Tranquilizers, dentifrices, vitamins, cold remedies:** All these are subjects of future Congressional hearings to investigate ad claims, may well spark restrictive legislation.

IT'S YOUR MONEY

that's being wasted at the rate of $13,700,000 a day

at a time when our country needs every available dollar for missile development

You, as a taxpayer and a businessman, have a big stake in the recommendations of the bi-partisan Hoover Commission. *Tide* believes it will pay you well to know more about it . . .

In 1953 Congress, acting unanimously, asked twelve men to:

1. Recommend ways to make the Executive Branch operate more efficiently and economically (more like a business).
2. Recommend the elimination of non-essential services in competition with private enterprise.
3. Propose broad and original policy changes that would reduce waste; improve government efficiency — including Constitutional amendments if necessary (just as a business changes policies to cope with the economic facts of life).

This Hoover Commission, working with 19 "task force" research committees composed of 200 volunteer experts, many recruited from business, developed 314 recommendations, of which 156 have been adopted.

Billions have been saved. But what happens from now on can release vast additional funds for today's urgent needs. Congressional action in the early months of 1958 depends — more than you think — on you.

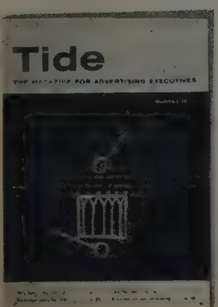
How to keep informed

You, as a business man, are eligible to become a member of the Citizens Committee for the Hoover Report, a non-profit, bipartisan organization with thousands of volunteer members. These citizens, in and out of government, represent the only force organized to follow through on Hoover Report recommendations. You can do your part by joining with thousands of other business men as a member of this Citizens Committee.

There is no need to tell you, a responsible citizen and business man, the danger of letting billions of dollars go down the drain by default.

There is a need, perhaps, to inform you through your own business magazine what *you* can do . . . in your own business, in your own community . . . to help cut government waste. For this reason we, as a member of *Bill Brothers Publishing Company*, feel a deep responsibility to keep you informed. If you would like to become a regular member of the Citizens Committee for the Hoover Report, use the coupon below. There's no obligation . . . except as you may elect to aid in this important effort.

If you're for a waste-free, streamlined Federal Government, send this coupon



Tide

A BILL BROTHERS PUBLICATION
386 Fourth Avenue, New York 16, N. Y.

FAST FOOD • FLOOR COVERING PROFITS
PLASTICS TECHNOLOGY • PREMIUM PRACTICE • RUBBER WORLD • SALES MANAGEMENT • SALES MEETINGS
TIDE • TIRES TBA MERCHANDISING

BILL BROTHERS B PUBLICATIONS

TIDE MAGAZINE
Bill Brothers Publications
386 Fourth Avenue, New York 16, N. Y.

Yes, I would like to receive, without obligation, a membership card for the *Citizens Committee for the Hoover Report* and a copy of the Committee Member's Handbook, Reorganization News, and other materials.

name____________

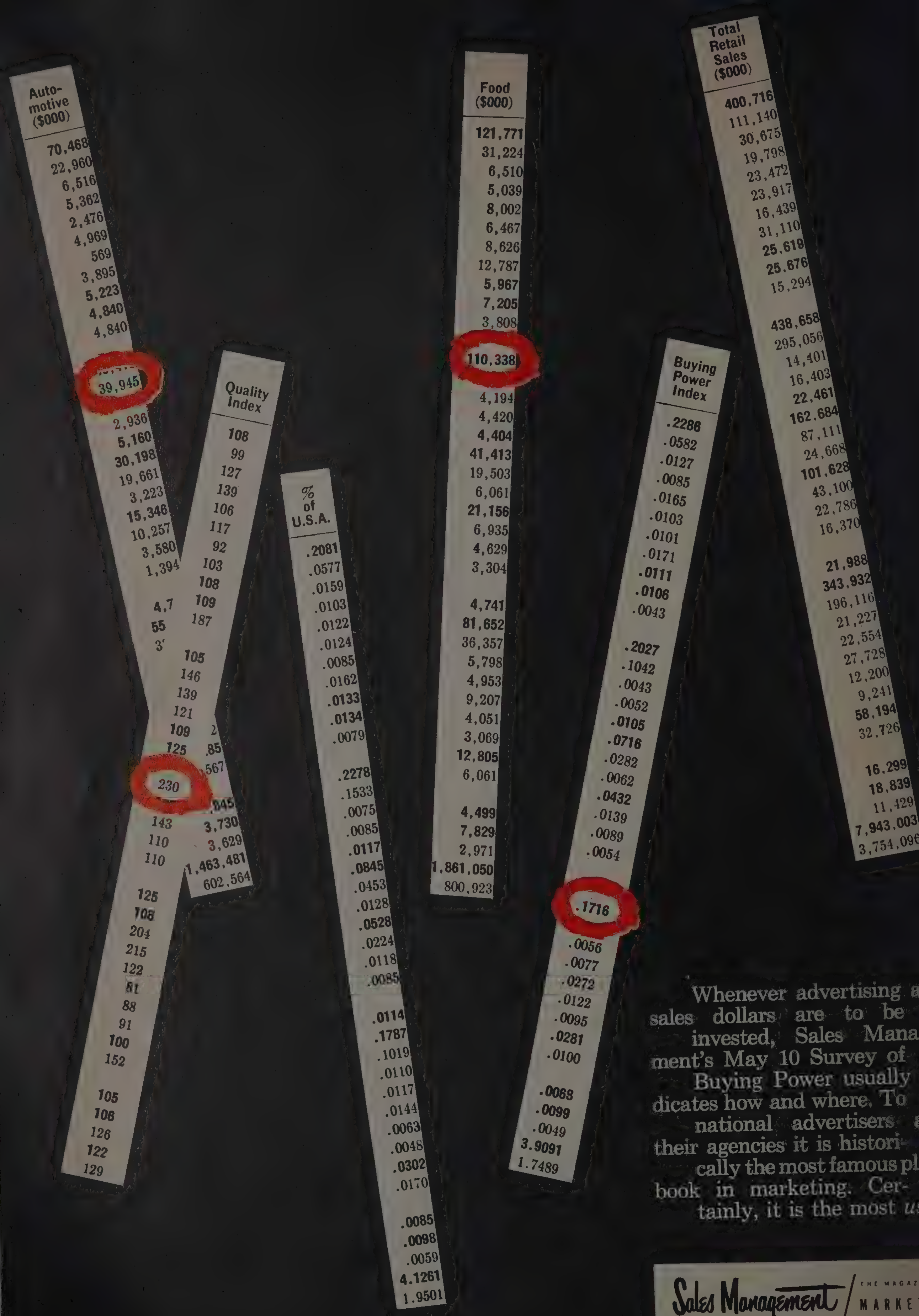
title____________

company____________

address____________

city____________ zone____

state____________


Automotive ($000)
70,468
22,960
6,516
5,362
2,476
4,969
569
3,895
5,223
4,840
4,840
39,945
2,936
5,160
30,198
19,661
3,223
15,346
10,257
3,580
1,394
3,730
3,629
1,463,481
602,564
Quality Index
108
99
127
139
106
117
92
103
108
109
187
105
146
139
121
109
125
230
143
110
110
125
108
204
215
122
81
88
91
100
152
105
106
126
122
129
% of U.S.A.
.2081
.0577
.0159
.0103
.0122
.0124
.0085
.0162
.0133
.0134
.0079
.2278
.1533
.0075
.0085
.0117
.0845
.0453
.0128
.0528
.0224
.0118
.0085
.0114
.1787
.1019
.0110
.0117
.0144
.0063
.0048
.0302
.0170
.0085
.0098
.0059
4.1261
1.9501
Food ($000)
121,771
31,224
6,510
5,039
8,002
6,467
8,626
12,787
5,967
7,205
3,808
110,338
4,194
4,420
4,404
41,413
19,503
6,061
21,156
6,935
4,629
3,304
4,741
81,652
36,357
5,798
4,953
9,207
4,051
3,069
12,805
6,061
4,499
7,829
2,971
1,861,050
800,923
Buying Power Index
.2286
.0582
.0127
.0085
.0165
.0103
.0101
.0171
.0111
.0106
.0043
.2027
.1042
.0043
.0052
.0105
.0716
.0282
.0062
.0432
.0139
.0089
.0054
.1716
.0056
.0077
.0272
.0122
.0095
.0281
.0100
.0068
.0099
.0049
3.9091
1.7489
Total Retail Sales ($000)
400,716
111,140
30,675
19,798
23,472
23,917
16,439
31,110
25,619
25,676
15,294
438,658
295,056
14,401
16,403
22,461
162,684
87,111
24,668
101,628
43,100
22,786
16,370
21,988
343,932
196,116
21,227
22,554
27,728
12,200
9,241
58,194
32,726
16,299
18,839
11,429
7,943,003
3,754,096

TIDINGS

Kilroy

Waiting in a 19th floor reception ·oom at Columbia Broadcasting Sys-em headquarters a few days ago, we et our gaze wander across the well-ppointed decor. The walls are papered vith a pattern featuring the familiar CBS eye.

One of the eyes seemed to be watch-ng us, so we returned its stare. At ength, we got up to examine it more losely. There, right in the center of he eye, right in the heart of the CBS xecutive domain, some unknown non-onformist has carefully penciled in hree little letters: NBC.

Bong-bong

Frederick Othman, a syndicated col-mnist who writes out of Washington D.C.), devoted one of his columns re-ently to the subject of patents. Among ie more unusual patents Othman re-orted was 1) a cigaret case with a me clock which uncovers a single garet at pre-determined intervals (for w will power smokers who want to it down); 2) an electric nutcracker; a power-driven surfboard which cks up its own surf if your lake esn't happen to have any; and 4) keyhole with an electric light inside. Othman wound up his column by entioning patent No. 2,811,811 issued Anthony Faranda of Yonkers (N.Y.). is a small gong which, when attached a shoe, goes bong with each step. ccording to Othman, Faranda had as-gned his invention to McCann-Erick-n, Inc., "a leading New York adver-ing agency." Othman concluded by wondering why McCann-Erickson needs noisy shoes.

Frankly, we also wondered why—if Othman's information was correct—Mc-Cann-Erickson would want noisy shoes. So we hustled over to get the answers from Al Bouchard, a McCann account exec.

Othman's information, Bouchard told us, was not entirely correct. It's true that an Anthony Faranda applied for the patent described, but it wasn't for himself; it was for his employer—which was McCann-Erickson. And while Mc-Cann did want noisy shoes, the agency didn't want them for itself but as a premium for a client, a division of B.F. Goodrich which makes canvas footwear (or, in simpler language, sneakers).

All this happened, Bouchard ex-plained, about a year or so ago. Mc-Cann had dreamed up the shoe gongs, had ordered 1,000,000 of them for dis-tribution to the trade and—as a matter of course—had Faranda request the patent to protect the client. From all indications the shoe gongs were a hit with children who go in for this sort of thing.

While it would have made a better story if McCann executives walked

around their offices with shoes that go bong-bong, Bouchard says it just didn't happen. Come to think of it, though, it's not a bad idea. What better way to tell when the boss is coming?

Revenge

Some Britons have yet to forgive us for developing commercial television because it spread to their shores. These vengeful souls may rest easy now, be-cause Britain has been avenged.

A British communications firm has linked itself with an American pay TV promoter in plans to bury the U.S. under a subscription TV system. We don't know what some other Britishers might have against Canada, but our Northern neighbor is included in the attack plans which will exploit the entire Western Hemisphere.

Rediffussion, Ltd. signed a 21-year pact with our home-grown Skiatron International Corp. to help develop subscription TV city-by-city in both North and South America. The agree-ment, among other things, gives Skia-tron access to all of the technical knowledge and services of the British company which has experience with closed circuit broadcasts and telecasts all around the world.

Well, we can't say we didn't start the feud. Perhaps we could arrange a treaty. You know, we'll keep com-mercial TV and they can have pay.

Hooked

Between courses at the regular monthly luncheon of the Advertising Sportsmen's Club last month, a young agency executive was telling us about an unusual telephone service for fisher-men. All an eager angler has to do is dial a Manhattan number, and a re-corded message spiels forth up-to-the-minute information on which fish are biting where in the New York area. After the fishing information comes a short commercial for fishing tackle.

This intrigued us so much that we decided to follow it up. Before long we were sitting in the office of Dick Wolff, vice-president of The Garcia Corp., one of the largest importers and distribu-tors of fishing tackle.

Garcia started the telephone service for fishermen two years ago, Wolff in-formed us, and it has grown more pop-

ular every year. The reason it goes over so well is that the information is so topical: it's the only source of *today's* best fishing, a decided advantage to fishermen over newspaper columns on *yesterday's* results. Wolff explained that he gets his information from the man on the scene: from game wardens, fishing boat captains, resort owners.

A typical tape-recorded message lasts 50 seconds, with the first 40 seconds or so devoted to what's biting where and the last 10 seconds is the Garcia commercial. When the fishing is really good, almost the entire message is fishing news, and Garcia settles for little more than a passing mention. The usual commercial follows the pattern of Garcia's print ads in outdoor magazines which stress the large selection of tackle in the Garcia line and its quality. Soft sell is essential, says Wolff, because fishermen are as wary as their quarry.

When we got back to the office, sightly awed by this ingenious but basically simple idea, we decided to call the Garcia number—just to hear what one of the recorded fishing messages sounds like. We dialed and were greeted by a courteous young gentleman who informed that Garcia's fishing messages have been discontinued until next April. Apparently both the fish and the fishermen retire for the winter.

Down the hatch

It took a comedian on a recent NBC-TV Tonight show to spotlight the idiocy of current TV spots plugging pain relievers. "I saw this guy before the show," said Milt Kamen, "and he was laughing and dancing on the sidewalk with a crowd around him. I went up to the guy and asked him what all the fuss was about. 'Well,' he said, 'I've just taken a Bufferin and an Anacin, and *the race is on!*' "

Prize Package

It's a rare day when a medium comes up with a new promotion idea. But Hollywood (Calif.) radio station WFMU-FM has done just that.

It's a contest, and here's how it works. WFMU-FM mails out promotional material to ad agencies, along with a post card. The agency fills in the post card and returns it to the station.

Once a week, for 10 weeks, WFMU-FM has a drawing, and the winning agency gets 50 one-minute announcements to run as a saturation package during the next week. The agency can use any commercials it wants during that time.

Sounds like a good idea, but there may be a kicker. After all, the agency has to decide which of its clients is going to get the 50 free commercials. In view of the recent Kolynos-Grey divorce, we wonder whether many agencies are going to risk picking one client over another. The solution, of course, is for the winning agency to use all 50 commercials to promote itself, and perhaps pick up a new client or two in the process.

Service

When our copy of the London Economist arrived recently, we were amused to read an article (in the Economist's usual perceptive, witty style) about service. Apparently the problem of servicing appliances and automobiles is as great in Britain as it is here, and it causes British manufacturers, dealers and consumers as much anguish as it does in this country.

The Economist article, called "Service without a smile," covered several key developments in the service problem in Britain. First, the Economist points out, modern appliances are often beyond the ken of the ordinary repairman: "He was merely one of many dealers in the servicing trade whose knowledge of elementary electricity and magnetism is being stretched to the breaking point by demands to repair complex gadgets that go into modern living . . ."

Moreover, the Economist correspondent finds that the ideal promulgator of good service, namely the manufacturer, is quite recalcitrant on the service front: . . . "your correspondent found that, with few exceptions, the British manufacturers' interest in repairs is only lukewarm. . . . Since the war, in fact, the British manufacturers' main concern has been to produce the goods, while sales policy has lagged a long way behind. But, as the market tightens up, there is some sign that this attitude may be changing; increased competition in durables is liable to center on the provision of good service."

The Economist does say, however, that there are a few British firms which build their marketing strategy around service; that is, make a service contract an integral part of the sale. For instance, says The Economist, Britain's Hoover, Ltd., producer of appliances, has a system whereby "the salesman has to make a percentage of service calls before he qualifies for a commission on sales." This, as the journal indicates, helps on resales.

Summing up, the Economist finds four possible trends which may help solve the repair problem. The first is toward central service centers of workshops, where highly skilled repairmen help unskilled repairmen who bring in the appliances. Another trend is toward British consumers having their appliances insured, similar to automobile insurance (this trend has developed into a boom for rentals of radio and TV sets, since renting them means perpetual and reliable servicing).

The third trend is toward more do-it-yourself, especially in lower income groups where, "besides having more need to economize, the new class of appliance owners are often mechanically more capable than the old."

Finally, the Economist sees the possibility of more companies following the Hoover pattern of service or maintenance contracts for the consumer. "As competition comes back to a booming market, manufacturers would do well to think over carefully whether they can afford to leave the servicing of their machines in the hands of others." Domestic manufacturers please copy.

Last word

Though we're always alert for tributes to the power of advertising, we never really hoped to hear one in a liquored philosophical discussion at 2 a.m. in a Manhattan bar. But we did.

It happened this way. Sitting at the bar, obviously filled to the brim with holiday spirit, was a gentleman who, for about 15 minutes, had been arguing with the bartender. The subject of the discussion: the drunk's constitutional right to get as plastered as he wished. The bartender, who'd been trying to evict the drunk, finally made an uncomplimentary remark.

"Lishen buddy," said our loaded friend, "don't talk to me like that. You're a hell of a bartender anyway. You can't even peel a lemon."

"Whaddya mean," answered the bartender indignantly. "I've been peeling lemons longer than you've been drinking." Whereupon, to prove his point, the bartender promptly peeled a lemon.

"Aw, thash all wrong. You godda do it right." Whereupon the drunk reeled off a set of directions.

"Well," said the bartender, obviously miffed, "where did you get all that?"

"Oh, ish nothing," replied the drunk. "I read it in a Schenley ad."

Will total national advertising volume go up or down in 1958? Which industries are likely to prosper? What products will consumers buy and what must admen do to persuade them? To find out, TIDE asked its Panel . . .

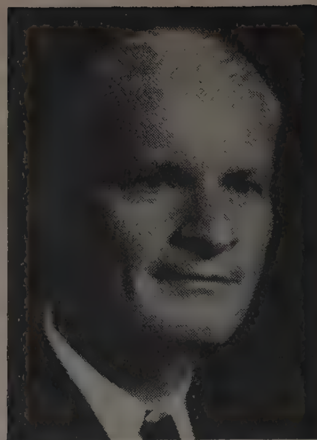
What's ahead for advertisers in 1958:

Gloom or Boom?

Like Jason seeking the Golden Fleece, advertising executives expect to steer a tricky course between their own Scylla and Charybdis in 1958: on one hand they must go all out to persuade a hesitant, price-conscious public to buy more; on the other hand they must also convince a restless, cost-conscious management to dig up the advertising bankroll to do the job.

Such is the uneasy appraisal of the future made by the 1,100 executives on

What problems face advertisers in 1958:



Roy B. Johnston, admanager, National Steel Corp.: "How to convince managements of the need to maintain continuity of advertising & marketing investment at equal or greater levels"

Norman H. Strouse, president, J. Walter Thompson Co.: "Shelf space for grocery and drug products"

James M. Jewell, admanager, Arvin Industries, Inc.: "Trying to keep budgets from shrinking under management pressure"

Tide's Advertising Leadership Panel. What makes this uneasiness especially significant is the fact that the majority of Panelists see little cheer in 1958's economic prospects:

- **A resounding 35% of the Panel predict business in 1958 will fall below 1957's level.** About half think business will remain at the same level, while a mere 13% see slightly better days ahead. A euphoric fraction, 2%, believe 1958 will be the biggest and best year yet. The rest prefer to reserve comment.
- **Most Panelists foresee a drop in gross national product.** Roughly one-third think it will stay at the same level, the rest believe GNP will increase anywhere from one to 5% in 1958. (Most economists, incidentally, expect the GNP to slip to an annual rate of $438 billion in the first half of this year, then climb to $440 billion in the last half.)
- **Tide's Panel is just as pessimistic about disposable income.** In fact, some 43% of Panel replies predict a dip below the 1957 figure of $344 billion, with 5% anticipated as the average drop. This differs from most economists' view that a 3% increase is ahead, a view shared by less than one-third of the Panelists. The rest of the executives polled expect the amount to equal the 1957 figure.
- **Worst of all, a whopping 39% of the Panel predict a drop in retail sales in 1958,** probably by at least 5%. Another big group, 36%, see retail sales remaining stable, while 25% believe sales could climb above 1956's level.
- **Consumer credit is about the only economic indicator most Panelists (42% to be exact) think will rise;** some 30% expect consumer credit to stay the same; the rest see the figure dropping.

➤ **Faced with such a gloomy future, what do the Panelists think will happen to national advertising?** Since most Panelists, almost to a man, think 1958 will require harder and more creative selling than ever, the prediction is that national advertising volume definitely will go up. Some 47% of the replies foresee at least a 5% increase; 25% expect ad volume to be the same as last year; 28% expect a drop of 5% at the most.

Although Panelists expect ad volume to increase, most think the key word in advertising in 1958 will be cost; the most common goal will be more efficient and economical use of advertising to get the most out of each dollar. Says National Steel Corporation admanager Roy B. Johnston: "The biggest problem will be to convince managements of the need to maintain continuity of advertising and marketing investment at equal or greater levels." Adds James M. Jewell, admanager of Arvin Industries, Inc.: The problem is a matter of "trying to keep budgets from shrinking under management pressure."

Panelists see the cost theme taking many forms. Stromberg-Carlson admanager Frederick Haupt thinks the problem of "choosing the most effective media to influence sales" is one of the toughest questions to solve in 1958. Arthur W. Lee, president of Lee-Stockman Co., expects reason-why copy and heavier merchandising to replace "pretty pictures" in ads.

This task of targeting sales more efficiently and economically will be particularly important to what, in the words of Block Drug Co. admanager A. L. Plant, is 1958's big job: "overcoming inertia in buying generated by fear and concern" among consumers over everything from Sputnik to the high-cost-of-living.

The job, says Bristol-Myers assistant admanager Richard Van Nostrand, is to "re-establish the necessary confidence to get consumers to move."

A. L. Plant, admanager, Block Drug Co.: "Overcoming inertia in buying generated by fear & concern"

Frederick Haupt, admanager, Stromberg - Carlson Co.: "Choosing the most effective media to influence sales"

Harlan Hobbs, president, Glasco Products Co.: "Return to selling instead of 'order taking!'"

Richard Van Nostrand, assistant admanager, Bristol-Myers Co.: "Re-establish the necessary confidence to get consumers to move"

➤ **Tide Panelists, on the whole, expect consumers to be more price-conscious than ever, think they will shy from luxury buying and avoid big ticket items.** Says A. R. Jaeckel, advertising & sales promotion manager of Alco Products: "There will be less 'buying up,' less use of credit, less purchasing of non-essentials." Adds Roger Holt, admanager of Munsingwear: "Much more careful spending, stronger brand selection."

In fact, in predicting consumer buying habits, Panelist opinions go on endlessly about consumer thrift. Among the predictions:

- "More bargain hunting."
- "Increasing selectivity."
- "Holding out for the best quality merchandise at low cost."
- "Reluctance to buy unless value & quality are proved."

The reason for increased care in spending? Says the president of a large ad agency: "It's a combination of things. Lack of confidence in the economy and unstable world conditions are two reasons, of course. In general, I think it will be a year of uneasiness & the discount house."

➤ **At least two Panelists anticipate a shift in the geography of consumer buying habits.** One foresees "a continuing trend to supermarkets & shopping centers, which is bound to make the small retailer suffer." Adds Edward Steele, Admiral Corp.'s manager of market research: "There will be more money spent in suburban centers."

Of course, a primary reason for increasing consumer reluctance to buy, Panelists say, will be rising prices. And pushing them steadily upward will be rising distribution costs (**Tide**—Dec. 27, 1957). In fact, admen see everything going up — distribution costs, retail prices, cost of living—everything except profit margins. These, they think, will continue to feel the squeeze.

Moreover, they expect an all-out pricing war in 1958 (particularly in appliances), mostly due to discount house merchandising. Says Ashley Burner, public relations director of Anderson & Cairns: "Retail sales will have many soft spots, and this is liable to bring on an all-out 'Battle of the Discount Houses.' I expect, too, that profit margins will be lower for most businesses, retail & manufacturing, even though in many cases the dollar sales volume will equal 1957."

However, the admanager of a large manufacturing concern thinks "retail prices will hold about the same, though pressure from discount houses may well force manufacturers to accept smaller profits instead of higher prices."

➤ **In fact, most Panelists agree that sales and profits probably will squeeze big-ticket industries the most: autos, building and appliances.** Waring Products Corporation marketing manager W. J. Newman also expects more "wild competition" in the small appliance business, "sluggish sales and little profit for dealers, distributors or the smaller manufacturers." About the only industry categories that Panelists aren't pessimistic about are the missile and rocket business, electronics, chemicals and aircraft—that is, any industry related to defense spending.

In a hard self-appraisal, many Panelists agree that about their most important worry is a "lack of confidence in the present and future," or, as one put it, "psychological depression." This means, as Penn Mutual Life Insurance Company advertising promotion manager Franklin S. Pulver puts it, that advertising executives first must practice "keeping calm." Otherwise, as one admanager says about the future, 1958's top-selling product will be: "Towels—for weeping!" ■

THE WOMAN'S VIEWPOINT®

by Dorothy Diamond

Woman suffrage extends to carpets

Swelled heads! Swollen egos! That's what we housewives are likely to get if business continues its present tactics. Ever since word got around that women are responsible for 60% of all U.S. personal consumption expenditures, hard-boiled executives have meticulously catered to our desires and hovered about our thoughts. It's a new era for the housewife—and a thoroughly delightful one.

Latching onto the trend, C. H. Masland & Sons, a carpet manufacturer, last month sponsored an unusual poll to obtain consumer opinion of its 1958 line. The poll differed from traditional pre-market testing both in the manner in which it was conducted and the way results will be used in advertising.

Scene of the voting was a New York City hotel. In cooperation with six other manufacturers, Masland exhibited 40 room vignettes showing how carpets, fabrics, wallpaper and paint could be coordinated. Naturally, the trade press came. But, in addition, the carpet concern invited 1,000 housewives from the city and surrounding suburbs to come in and register their choices. Despite a heavy snowstorm, 650 housewives arrived to cast their ballots. In addition to traditional carpet weaves, they passed upon 10 avant-garde numbers (including my favorite, a rug woven like a Scotch plaid blanket) that were designed especially for the show and are still only in experimental production.

When the votes were tabulated, a sharp deviation between the trade group and the housewife emerged. Contrary to what you might expect, the housewives went for the bolder, brighter combinations, while trade observers proved more conservative. The avant-garde numbers, it's interesting to note, pleased rather than shocked many of the amateurs.

Sharing the happy fate of winners in a political election, winners in this trade election will reap a good deal of publicity. The top 12 are being featured in a booklet, "The Golden Dozen," which will be given to retailers for consumer distribution. In addition, the poll will form the backbone of a magazine advertising campaign this spring. Copy will get a news treatment, with a by-line by Dorothy Kilgallen and a "These Have Been Chosen" theme.

Like other companies that have made an effort to meet real, honest-to-goodness, practicing housewives, Masland is tremendously pleased with the venture. So much so, in fact, that it has already scheduled a similar showing and poll for its 1959 line.

New Year planning

Making January engagements in December is a bother for me and also, I suspect, for many another housewife who has delayed in obtaining refills for her engagement pad and permanent desk calendar. How nice if the people who make such things would give us a bonus of an extra month. It would take us smoothly into the New Year and would serve as a natural reminder that we need replacements.

Bankers should a-wooing go

One group that has been noticeably stand-offish about the prevailing please-the-women trend is the banking industry. I'll grant that a few special concessions to us have been made. But, by and large, the banking people have been inhibited about acknowledging that there is a difference between the sexes and that women customers may need special treatment.

For this reason, I was especially impressed by a speech that recently came across my desk. Entitled "Woo the Women—It's Worth It," it was delivered by Mary E. Busch, executive vice-president of the Emery Advertising Corp. (Baltimore) before a convention of the Financial Public Relations Assn.

Here are some of the things she suggested for banks:

1) A supplementary advertising campaign addressed to women and placed either on or adjacent to the women's page in a newspaper. It might very well tie in with the universal feminine interest in fashions. A slogan that is simplicity itself but that nevertheless has demonstrated pulling power is: "Every Woman Should Have Her Own Savings Account."

2) Convenience features—such as an attractive enclosure where women can sit down and rest their feet ("those pointed shoes this year are murder"), make telephone calls, meet friends, leave messages. Maybe a place to park the children.

3) More use of color—even pastel shades—on banking-by-mail envelopes, checkbooks, passbooks. An examination of the passbooks of 200 or so financial institutions revealed that all but four were printed in gray or sepia and most were illustrated with reproductions of the building. This doesn't have to be.

4) Financial forums and short courses on investing. One lecture series might be geared to younger women in offices, to help them get started with their banking. Another might be angled to the older matron, who would be enlightened at her women's club about investments, life insurance, wills and estates.

As a postscript to Miss Busch's talk, here's another service item I would welcome. It's a form that would be placed about three-fourths of the way through the checkbook and which, when filled out and mailed, would mean that a brand new checkbook would be sent to me automatically.

Let the customers speak

Since I think that suggestion boxes should be transplanted from industry to more places where the public can use them, I admire the way that B. Altman & Co. (Manhattan) has utilized this device. Frustrated shoppers are invited to tell the management what items they can't find merely by filling out a blank and dropping it into a container provided for this purpose. An excellent way of collecting customers' gripes and forwarding them to proper channels.

TV costs: *no relief in sight*

As time charges and production costs spiral, it's clear that television is still a seller's market. Barring a sudden slackening in advertiser demand for what TV offers, there's little that can be done to hold down the cost of television advertising. In the second of a series on controlling media costs, TIDE shows why the trend is still up.

"Television is the only medium I can think of these days that has no sales expense to speak of. So how come it's so expensive?" The question, asked by an advertising executive who controls a substantial network television budget, has a shockingly simple answer: advertisers will pay handsomely to get exposure on a TV network. The result: inflation.

Not that there aren't agonized complaints. Here's a sample from R. J. Reynolds executive vice-president Bowman Gray (speaking before a regional conference of the National Assn. of Radio & Television Broadcasters):

". . . TV is good for us, but we find that even with our very large volume in television we cannot afford to keep any sort of status quo. For example, in 1954 we sponsored 40½ commercial minutes of network television every two weeks. In 1957 this commercial exposure had been reduced to 24 minutes every two weeks. In other words, we are spending 23% more money for 39% fewer commercials. This is not an encouraging trend.

"Right here I know many of you are making rough mental calculations regarding commercial impressions," said Gray. "It is quite true that the purely quantitative side of this equation will give us a resultant bulk of commercial impressions that are much more in line with cost than I have indicated. But there is another side to this picture

THE UPS AND DOWNS OF NET TV COSTS

PROGRAM TYPE	DURATION (minutes)
Evening	
general drama	30
general drama	60
suspense drama	30
situation comedy	30
western drama	30
adventure	30
variety	30
variety	60
quiz & aud. partic.	30
musical	30
informational	30
Total by duration	
	15
	30
	60
	90
Weekday daytime	
adult serials	15
other adult	15
other adult	30
Children's daytime	
once-a-week	30
multi-weekly	15

Source: A. C. Nielsen C

with an advertiser like ourselves, and that is frequency of impact. Cigarets are one of the few commodities that are bought almost every day and a substantial reduction in frequency hurts us where we live."

The issue that engages Gray, as it engages every advertiser who uses or would like to use television, is not so much the value received for the television dollar (which is generally agreed to be good), but the extraordinary number of those dollars it takes to maintain any kind of reasonable commercial frequency on the networks.

➤ **There seems to be no solution to the problem of television's astronomical cost. For one thing, to talk of cost-cutting is futile.** The reason: there's no direct ratio between time rates and operating costs. Networks (and stations) it's true, have substantial expenses to cover: in facilities, in personnel, in programing experiments. But, explains ABC administrative sales manager Henry Hede: "Television hasn't yet reached the point where rate increases must be justified on the basis of operating costs. Quite a few stations have very little operating cost. The network does most of the programing for them or else they show films. Network costs, of course, have grown. Not only have the networks increased in size, which increases operating costs, but as the business is more understood, more services are expected from the networks—more research. In fact, as the medium becomes more competitive we have to have more people to prove that we're competing."

Actually, as another network executive privately admits, "TV rates still are largely based on competitive pricing situations. We have no magic formula."

➤ **Time cost, which accounts for the largest part of TV's cost, is a case in point.** The comprehensive report on network broadcasting produced last fall by Roscoe L. Barrow for the Federal Communications Commission records the incredibly complex methods the three television networks use to arrive at time rates.

As television advertisers are aware, the cost of network time is determined by adding together the network rates of all the stations ordered in a particular station line-up. These station rates are set by the network on the basis of each station's market coverage and set circulation, which are translated into actual dollar rates by means of a rate formula.

The networks will explain the bare bones of this system to anyone who's interested, and will point out with some satisfaction that the rate formula is such that circulation increases at a faster pace than rates. At NBC, for example, for each 100% increase in circulation, the indicated increase in rates is 67%.

But the word "indicated" is significant. The indicated rate and the actual rate an advertiser pays for a particular station often bear little relation. The Barrow report lists several things beside set circulation which influence time rates. Some of the most important:

• **The amount of pressure (i.e., bargaining power) an affiliated station can apply.** Stations, of course, are very interested in increasing the network rate assigned to them, since their cut of network revenues is a percentage of this rate figure.

• **The pricing structure of competing networks.**

• **The time clearance record of a station.** Networks, says the Barrow report, have been known to use rate increases to pressure stations into clearing more network programs.

• **Last of all (but perhaps most important), the network time rate is simply influenced by what the traffic will bear.** Witness this paragraph from the Barrow report: "The same NBC document [an internal rate review] also pointed out that in considering the rates for the top markets, rate curve indications are secondary in importance to an evaluation of sponsor reaction. . . . As the NBC rate review stated, 'Because CBS chose to be "conservative" rather than "aggressive," and elected to follow rather than lead, the network rates for our stations in these markets have generally been set at lower levels than we considered the market would bear.'"

➤ **Advertisers' frustration over TV**

COST PER 1,000 HOMES PER COMMERCIAL MINUTE

1953†	1954	1955	1956	1957
$3.70	$4.25	$4.54	$3.91	$3.21
2.88	3.01	3.27	3.03	3.43
2.39	4.39	4.32	3.66	4.24
3.72	4.19	4.63	3.71	3.83
3.56	4.41	3.97	3.11	3.07
—*	—*	—*	3.52	4.24
4.44	3.32	3.70	3.80	4.73
2.10	2.47	3.86	2.76	3.05
4.22	3.64	4.51	4.00	3.05
3.40	5.58	4.40	5.77	6.08
3.94	4.93	6.04	4.50	4.43
4.30	4.31	4.01	5.39	3.32
3.71	4.17	4.52	3.82	4.01
2.81	2.83	3.42	3.22	3.86
—*	—*	4.87	5.28	3.95
1.62	2.85	2.38	1.87	2.20
2.28	3.50	3.33	2.77	2.80
1.59	2.33	2.52	2.28	3.05
7.19	2.52	3.68	3.24	3.20
2.57	2.27	2.07	—*	1.27

o programs on the air

†November-December average. All other years, September-October average.

costs is only aggravated by broadcasters' insistence on value received rather than dollars spent. As one network executive puts it, "In terms of values television can gather together a living audience of 60,000,000 or 70,000,000 people and present sight, sound and motion. You must start with the infinitely greater value of TV as an ad medium. You must establish what you buy for a dollar in different media. In television you're buying an audience, not circulation as in print media."

Network officials won't even admit that a television phenomenon such as alternate-week sponsorship is the result of high costs. Says CBS sales administration vice-president William Hylan: "Alternate-week sponsorship is very generally a matter of strategy. Most advertisers in radio bought their own programs on a weekly basis.

"The concept of buying on alternate weeks never occurred to anyone. In television they must be getting the impact from alternate weeks or they wouldn't buy that way. As a matter of fact, 86% of network hours in 1953 were sponsored by advertisers who definitely could afford every-week sponsorship. In 1957, despite the popularity of alternate-week patterns, the proportion hasn't changed much. 83% of network hours are still sponsored by advertisers who can afford weekly sponsorship."

➤ **At any rate, TV rates will probably rise as long as advertisers are willing to pay the freight.** Actually, the dollar cost of television time will probably rise at a slower rate in the future than in the past. Television set saturation is within hailing distance of 100%, so sharp increases due to skyrocketing audience gains are no longer likely. As one network official says, "The really spectacular increases in rates are behind us."

But at the same time, cost-per-thousand homes per commercial minute (the generally accepted measure of cost efficiency) will probably increase simply because advertiser demand for time will push rates up faster than audience levels can follow.

While time cost increases are perhaps irrational, they appear to be models of logic and restraint when compared with the growth of production and talent prices. This is how one network programing executive explains it: "There's a lot of padding in package prices, and for good reason. A guy comes to us with what we think is an interesting show. He has a budget which contains figures which he really knows nothing about. For example, take a small item such as indentification insurance. He doesn't know what the premium will cost, so he just puts down a figure, and it becomes part of the package price.

"He doesn't want to make a profit on that premium, but if it comes to less than his original guess, he will anyway. On the other hand, he may lose a little. The same thing holds true for a budget for variable payroll taxes. Now in this case I'm talking about is an 'open-book' arrangement; the packager breaks the budget down for us. Frequently the packager just gives us a price. If we like the show $12,000 worth, say, we buy it. If it hits, it's worth the money.

"There are also things that adver-

What does a network TV show cost?

(Figures for Average Network Evening Half Hour Program)
(January-February of Each Year)

Source: Columbia Broadcasting System

tisers forget, which seriously affect the price. Little things: a bill for $100 here, $500 there. For example, a guy gets a second-run film show for $10,000 a show—very cheap. But now he has to put commercials in it, and identifying billboards at the beginning and end. All of a sudden, each show costs him $600 more than he figured. Actually, what do you mean when you say you bought a show? I may buy a show at a stated price. Maybe I bought a negative, maybe I bought a license to an idea, maybe I bought some film prints. You never know."

➤ **The plain fact is, as nearly everyone in the television industry agrees, that production costs will continue to rise because creativity is operating in a seller's market.** Bud Austin, sales director of Goodson-Todman Productions, a major TV show packager, explains it this way: "The demand for good performers raises the price, and this is true for any skilled people. When there's a commodity on limited supply and great demand, the price goes up. Also, as television makes its own stars the price for their services goes up.

"Efficient operation can control the cost of a package. For instance, we have 15½ hours a week on the air, so some of our administrative costs are spread out. But we expect to be well paid because we have an unmatched track record. Advertisers are buying our creativity. We have no physical inventory. A successful television packager has only so much time, and he expects to get a good price."

Ray Junkin, sales vice-president of Official Films, a major packager of filmed shows, tells much the same story. "A half-hour syndicated film show costs 30-40% more today than it would have in 1950. Quality has risen, too, but it's not so easy to assign a percentage increase to that.

"Why has the cost risen so drastically? Like all other TV programing, syndicated film is faced with the medium's voracious appetite for material, particularly scripts. Scripts are now a seller's market. The same type of script that cost $1,000 in 1950 costs $2,500 now. Another big factor in rising costs is certainly talent. Big names are not only demanding more money, but more & more frequently, a share of the profits. As part of this talent problem, there is also the increased demand for more residual payments.

"The future will probably hold more of the same. I've never seen a union yet that didn't want more money so it's reasonable to expect to meet more demands for wage hikes."

➤ **Will anything reverse the upward trend of talent and production costs? Probably only a severe economic decline, which will depress prices all along the line.** Even so, says ABC-TV program department manager John Green, "We can't turn on a dime. Talent may come down in price, but not overnight. We don't have much flexibility."

In the last analysis, the cost of television is a calculated risk. As long as demand for TV's huge audiences holds up, costs will stay right up there, too. If a show gets the audience, the cost efficiency is good, no matter what it costs. If the show flops, cost efficiency is bad, no matter how inexpensive the production cost. According to the Billboard's cost-per-thousand charts, Lawrence Welk and Ed Sullivan ranked lowest in November in cost-per-thousand homes per commercial minute (Welk: $1.14; Sullivan: $1.56). Welk's production cost is estimated at $14,500 a week, Sullivan is estimated at $79,500 per week. For an advertiser trying to make his way in television, the medium is just one intangible after another. ■

Most agencies spend months, if not years, trying to grasp clients' policies and problems. Corning Glass Works, however, decided that its new agency N. W. Ayer, needed more than a cursory briefing to do an effective advertising job. Here's how Corning did it.

Headstart for an agency

One of the toughest tasks facing an advertising agency when it gets a new account is the process of finding out how a business is run, who runs it, and the client's policies and goals. Agency men, from the account supervisor to the art buyer, may spend several sleepless (and often futile) months trying to wrench these important facts out of the client. Similarly, the client may be just as bemused by who does what for it at the agency.

To prevent this often unfortunate (though not unusual) situation, one progressive client, Corning Glass Works (Corning, N.Y.), recently conducted an impressive experiment which may serve as a model to other clients who would like better agency-client rapport. In November, Corning brought 17 top personnel from N. W. Ayer, Corning's new agency for its Consumer division's Pyrex line (ovenware, dinnerware, etc.), from New York City to the home office to meet top company brass in a two-day indoctrination course. Ayer, selected from among 18 agencies interviewed by Corning, officially took over the account December 10 from Maxon (which had it for four years).

The pictures on this and the following pages summarize the way in which the meeting was staged as a personal introduction of Corning's sales policy and people to the account people from Ayer.

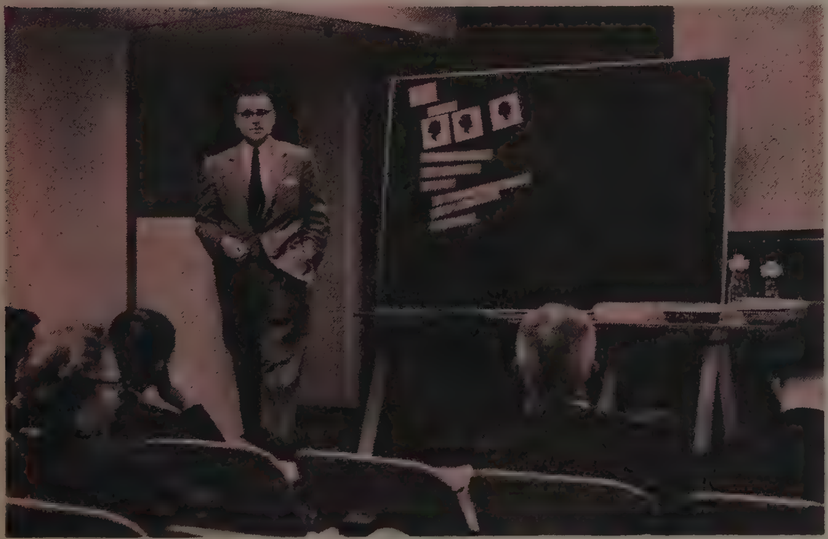
Company history & policy: Corning staff vice-president **Amory Houghton, Jr.**, opening the program, explains the growth, the current position and future of the company and how Ayer can grow with it. Founded in 1851, Corning's some 13,500 employes, working in 19 plants in 10 U.S. cities and in four foreign subsidiaries, make and sell glass products from TV tubes to Christmas ornaments, fluorescent lamps to art glass. While Corning's total sales ($163 million last year) are surpassed by three other glassmakers—Owens-Illinois, Pittsburgh Plate and Libbey-Owens-Ford—Corning turns out the greatest variety of products, probably puts the most into research.

Marketing strategy: consumer division general manager **R. Lee Waterman** maps out the basic selling strategy of the division. This is Corning's concept (based on previous consumer research by Maxon) of selling or promoting Pyrex in categories of use rather than plugging the products individually. For example, Corning advertises "Two new Pyrex dishes specifically designed for better meat cooking" and features two products in the same ad with the same theme. The products, in short, are associated with a theme, or definite use category. This way Corning has its 180-or-so product line broken into other use categories such as items for beverage making (percolators, a teapot, instant coffee and tea makers), for range-top cooking (sauce pans, double boilers), dinnerware, for casserole cooking (several types of casserole bowls), for freezing, storing, serving, and for measuring-mixing-baking.

New product development: Product development and promotion manager Thomas H. Truslow describes the consumer division's all-important program for improving and developing new products (Corning has introduced 16 new products and 81 new features in its Pyrex line in the past 12 months). Truslow, who directs and coordinates the activities of Corning advertising men, product engineers, designers and home economists in company test kitchens, gives a case history of Corning's high fashion Cinderella bowl set: "Our design department moved one of their top designers into our test kitchen for weeks to work with mixing bowls in actual use. The resulting new shape was preference tested at our Opinion Testing Station in the Corning Glass Center and 83% of the women preferred the new shape to the old." (Visitors to the Glass Centers are asked to participate in the three-year-old Opinion Testing Station, where they fill out questionnaires). The new products then are test marketed in selected department stores, modified further and finally put into general distribution.

Tips to copywriters: to give Ayer people a clearer understanding of the basic product Corning sells, Corning researcher Dr. W. W. Shaver points out what glass is, how it's made and how it's used, including the properties of glass itself (e.g., heat resistance).

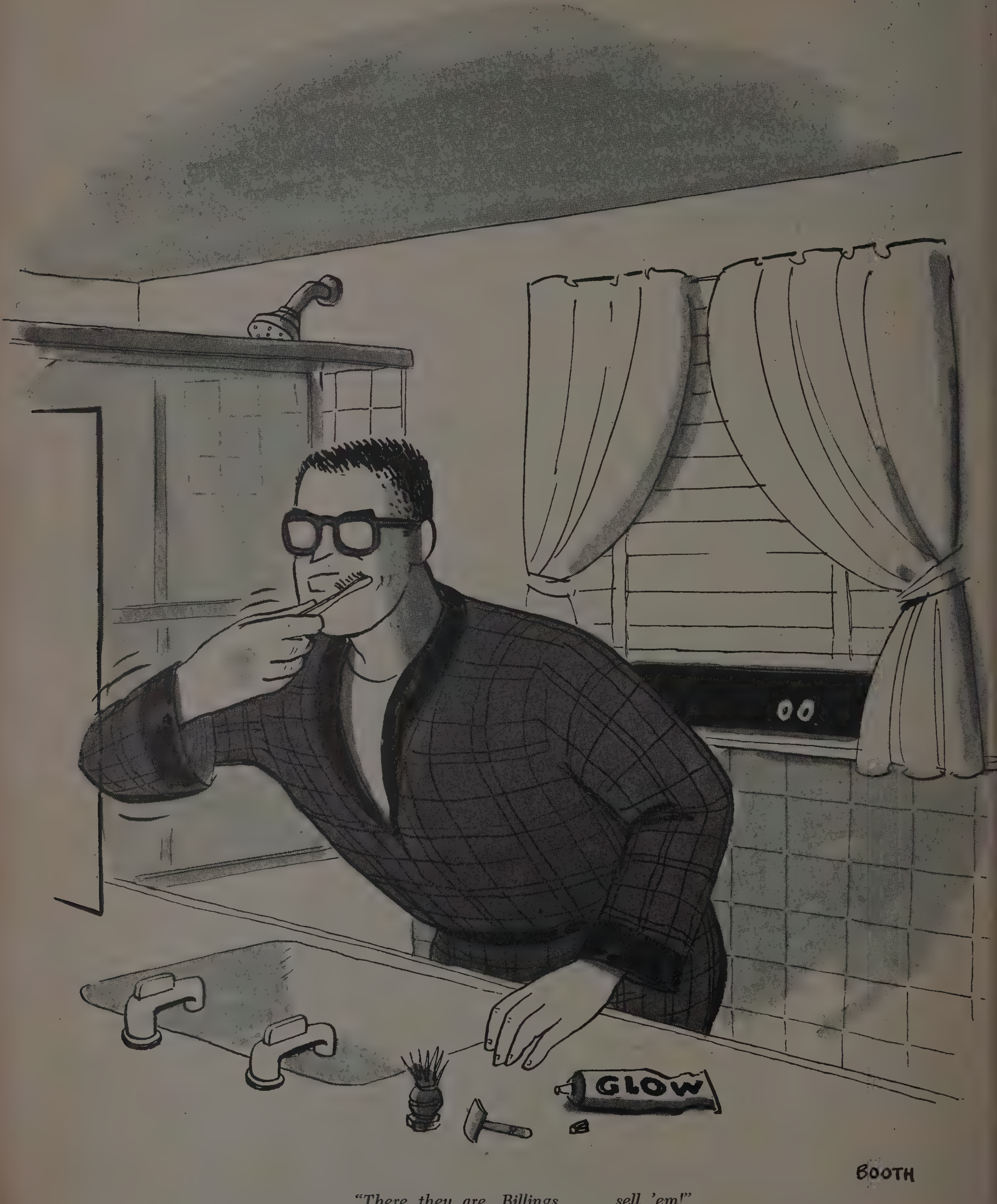
Pyrex distribution: One of the most important parts of the indoctrination course for Ayer people is sales manager Joseph Celaschi's description of the distribution pattern for the Pyrex line (Corning sells, through some 350 hardware and houseware distributors, to some 62,000 retailers, ranging from department stores to variety, hardware & drug outlets). Celaschi (whose 45 salesmen in five sales districts around the nation call on the distributors) discusses two important distribution trends affecting Pyrex sales: first, the growth in the number of suburban branches of department stores; second, the trend to higher-price items in the traditionally lower-priced variety chains. Ayer, by implication, will have the job of analyzing future changes in distribution.



Advertising strategy: Consumer division manager of advertising and promotion James H. Bierer, who arranged and emceed the program for Ayer's people, tells agency representatives who buys Pyrex ware and why (that is, women, 20-35, in the upper income group and up) and who buy Pyrex in any one of three capacities: preparer of meals; gift shopper; hostess. The strategy for reaching them follows the concept previously described by division manager Waterman: presenting a group of Pyrex products by use categories; half-page, two-column, four-color ads featuring a single customer use, e.g., "No matter what you bake . . . you save time and work with Pyrex ware!" (with illustrations of measuring cups, mixing bowls and baking dishes below the headline). The Pyrex campaign, which bills roughly $700,000 a year, runs nationally in eight magazines.

Between formal meetings, Corning brass took Ayer people around the home office to acquaint the agency with the inner workings of the company. For instance (top photo), Ayer assistant account executive A. M. Boyd, plans supervisor William Watt and vice-president Jack Upton (left to right) are shown examining TV tubes. On tour through Corning Glass Center (center photo), Corning product development and promotion manager Truslow shows Robert Alexander, Ayer account supervisor, different types of bulbs made by the company. Meantime (bottom photo) consumer manager Waterman explains design trends of new Pyrex mixing bowls to Carlton Hart of Ayer's plans department and Ayer vice-president Charles T. Coiner.

Mr. Billings



"There they are, Billings . . . sell 'em!"

Tribute to an adman

This week, Harper & Brothers is publishing a book by the late James R. Adams, co-founder of MacManus, John & Adams agency. "Sparks off my anvil from 30 years in advertising" sets down in short, epigrammatic form, some provocative observations on advertising gleaned from a lifetime's work in the field. Here is a brief sampling from the book.

On Advertising Strategy

If I had to lay down one rule for improving American dvertising, I would specify that advertising men take nore time to work out their underlying purposes and obectives. Being primarily creative, they are too anxious to lraw pictures and write copy. They are inclined to fire efore they see the whites of their public's eyes! The great dvantage which some advertisers enjoy over others lies ırgely in superior strategy. Most American advertising is ood in its purely creative aspects. Visualization is of a niformly high average, and copy is written with a fair egree of craftsmanship. But the difference in the effectiveess of the strategy employed is the difference between day nd night. In fact, much advertising has no strategy whatver. This is due to lack of appreciation on the part of nany as to what strategy can accomplish. What you are ying to do is far more important than how you do it.

n Buying Motives

There is no question that advertising is effective—on me. am always bowed down with things I purchased because e copywriters overpowered me. That is the penalty I y for reading so many advertisements. But I consider is to be an indispensable part of my work. Incidentally, ave bought but a few things in my life which I considered have been misrepresented in the advertising. I have quired many things for which I have found no earthly e: but that was not the fault of the advertising. My notions simply got the better of my judgment.

Observations

The fickleness of the American public is well known. Curtailing your advertising program will provide some eager competitor with a wide-open invitation to step in and win away your following. It is easier to maintain momentum than it is to build it up after it has been allowed to bog down.

On the Creative Mind

The creative mind has three definite levels of productivity. There is what I would call the "walking-around" mind—when just enough mental energy is produced to keep a person functioning as a human being. There is the level above this which could be called "awareness." It is in this state that the mind starts to assemble the component parts that go into creativity—facts, fancies, comparisons. And there is the creative stage, in which known things are put together as the elements in a chemical experiment, and new thoughts or ideas evolved from the mixture. The mind resists going into this state and has to be goaded and coaxed and cajoled—which accounts, I suppose, for the idiosyncrasies of creative people. It will also slip back into state number one at the slightest opportunity. This upward shifting of mental gears is difficult to accomplish and some creative people never get it done.

Any veteran can look at a piece of copy and tell almost at a glance whether the mind of the writer was in high gear when he wrote it. Psychologists, I suppose, would smile at my oversimplification on the stages through which a creative mind must move; but I stick to the statement that there is a point "up yonder" which the creative mind has to reach, and that reaching it can be as hard as climbing mountains.

Philco's new plan to cut distribution costs

Rising distribution costs are a constantly increasing challenge, because it is in this area that marketers can improve profits by targeting sales more efficiently and economically. The accompanying article, the fifth in TIDE's series on the evolution in distribution, shows Philco's unique way of meeting this challenge.

Philco's unique distribution center includes a data processing office to centralize the records of four separate distributors and help cut costs.

"Profit or loss in marketing is often influenced by factors other than the quality of a company's product, the ability of salesmen, or the aggressiveness of dealers. In some cases, warehousing and transportation costs spell the difference. Generally, most managements pay less attention to these than selling and advertising. Selling and advertising have more glamour than warehouses and delivery trucks."

So Syracuse University marketing professor and BBDO consultant Harry Hepner sums up one of the knottiest problems involved in the distribution upheaval: the rising costs of physical distribution.

What makes this problem especially important to advertising executives is that they often see their carefully planned ad budgets dissipated by rising distribution costs (**Tide**—December 27, 1957).

Some marketers, including Admiral Corp., Armour Laboratories, General Electric and Sears, Roebuck, have dabbled in distribution by air freight to cut down warehousing and expand customer service (**Tide**—Feb. 8, 1957). Others, like Hotpoint and Westinghouse, have reappraised and reorganized their dealer-distributor organizations.

➤ **One of the most unique (and perhaps most significant) solutions to the high**

:ost of distribution, though, is being :ested by Philadelphia's venerable Philco Corp.

Since last June, Philco has been ex- perimenting with a special distribution center in Elizabeth (N.J.), specifically lesigned to 1) take advantage of new super highways in the area, 2) central- ze bookkeeping for participating dis- ributors, 3) centralize warehousing, 4) llow fast overnight delivery of inven- ory to dealers, and 5) free Philco dis- ributors from warehousing & shipping :hores so they'll have more time to concentrate on advertising & selling.

Designed to service New York City, Trenton, Newark and Philadelphia, the listribution center, according to Philco xecutive vice-president John M. Otter, as allowed "a 50% reduction in total nventories previously maintained in he area serviced."

Otter estimates that the new system vill save participating distributors 4% f the actual cost of doing business. Distributors own the inventory at the enter and pay for it on a pro rata basis. hipments move straight from the fac- ory to the center, then directly to the ndividual dealers. Philco does the ship- ing and billing for the distributors, sing the distributors' own stationery nd filing all orders on IBM equipment. his system contrasts sharply with ship- ing to separate distributors who, in turn, send the goods on to the dealers they service. It means, for example, that factory shipments are simplified since they go directly to a single distribution point rather than four separate major outlets.

Explains Otter: "Diversification of products, an increasing number of models and the maintenance of good relationships with our distributors combine to make an efficient distribution system an operating necessity in an industry as competitive as Philco's." (Philco distributors in New York and Philadelphia are factory-owned and those in the other two cities are independents, thus giving Philco an opportunity to run the system with two types of distributors.)

➤ **Right now, the center is managed by a committee comprised of the participating distributors and chairmaned by a Philco manager.** This committee meets once a week to determine the ordering to be done to maintain a balanced inventory to keep all dealers in the area well supplied.

A four-week inventory based on sales estimates by each of the distributors is kept on hand with shipments for the fifth week already scheduled, so that the center is never caught short of goods.

Based on the estimates drawn up by the committee, Philco assures all that the desired inventory will be on hand at the center. The center manager, incidentally, has the power to over-ride a committee deadlock over inventory estimates. One of his main concerns: to keep distributors pushing slow-moving items in the inventory. "Since the distributors own this inventory," says Otter, "this type of action actually is for their own benefit."

➤ **One of the biggest plusses of the whole Philco project is, of course, the fact all dealers serviced by all the distributors are assured of having stock on call all the time.** Obviously, this helps in planning special local ad campaigns. Even if the dealer is temporarily out of stock, he can promise his customer prompt delivery because of the common pool of all goods in Elizabeth. This, thinks Philco, helps immeasurably in dealer-consumer relations and helps build an intangible amount of good will.

From Philco's standpoint, the distribution center has the added advantage of keeping constant sales reports flowing directly to the home office in Philadelphia rather than the complicated task of compiling a series of distributors' sales reports.

If this pilot center in New Jersey is successful, Philco expects to expand it to 12 similar distribution centers serving 90% of the nation. ■

New twist in private labels

Long the bugaboo of national advertisers, the private label now crops up in a most unexpected place—the discount house. Most notable of these is New York discounter, Masters, which carries a full line of its own drugs and toiletries.

Masters' toothpaste in sharply designed packages competes side-by-side with fair-traded national brands—at half-price. A range of other Masters products, similarly in competition with national brands, are shown on these pages.

The products on these pages represent the latest step in the steady growth of private brands. They are a selection of private labels from the shelves of a retail outlet you'd least expect to see handling them: a discount house.

These products, carried by New York's Masters, Inc., will also be featured in Masters' upcoming mail order catalog, an aggressive foray into mail order merchandising and the result of Masters' victory over General Electric (the U.S. Supreme Court ruled that Masters' mail order subsidiary in non-fair trade Washington, D.C., can sell fair traded GE appliances by mail to anyone living in fair trade states).

At the moment, Masters offers a complete line of vitamins and sundries (mouth wash, milk of magnesia, toilet tissues, sterile cotton) as well as toiletries and cosmetics. It's interesting (and probably significant) that many of Masters' private brands are in the drug and toiletries field, one of the few remaining bastions of fair trade in the U.S.

Actually, says Masters vice-president Jack Haizen, Masters prefers to sell national brands. "It's much easier to sell a brand name and take advantage

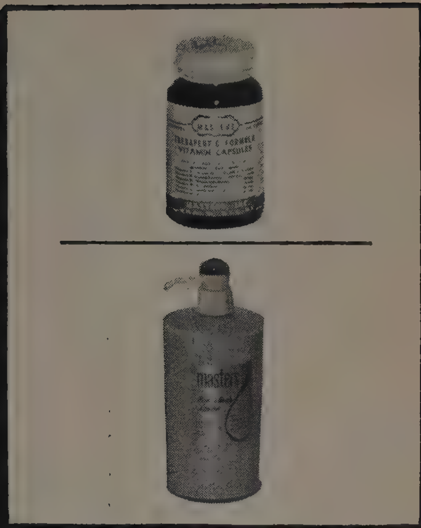
f millions of dollars advertisers spend o pre-sell their products. But when we an't get brand products to sell to the ublic at the right price, we have to nake our own."

Haizen claims remarkable repeat ales in the drug department, says Masters' low-priced private brands do nuch better than higher-priced nationlly advertised brands. "It's a warning," Haizen adds, "to fair-traded, highnarkup national brands."

"Assuming that low-margin selling ontinues (and it's growing all the time), hen national manufacturers will be orcing us to make more & more of ur own products," Haizen claims. Either they'll have to abandon fair rade, or they're going to give the eople who manufacture these products for us a terrific foothold in their narkets."

Actually Masters is not the first disounter to sell private brands, although t is the first to do so on such an exensive scale. New Orleans discounter Schweggman Bros. has sold coffee, iquor, beer, milk, butter and eggs inder a Schweggman label for some ime because, says John Schweggman, It does some advertising for us in the ome." Max Hess of Allentown (Pa.) loes have some private brand drug products, but they're sold under the Certified label, not the Hess name.

Chicago's Polk Bros. has no private abels; Polk prefers to think of itself s a low-margin department store, and nsists "We're still the home of nationlly advertised brands." New York's E. J. Korvette also has not taken the rivate brand plunge, but it's rumored hat Korvette—a hot competitor of Masters—is seriously considering private abel drugs & toiletries. ■



ONE ADMAN'S OPINION®

by Lester Leber

Buckshot vs. rifle

Last month's battle for Christmas gift business brought into sharp focus the diminished effectiveness that comes from trying to be all things to all people.

The two ads reproduced on this page are classic examples. Shulton divides its message into two parts, "for him . . . for her." Five sets comprising a total of 17 items are for him and eight sets comprising 21 items are for her. The result is a catalog page with no emotional impact.

On the other hand, Max Factor devotes its Primitif story to the distaff side only . . . "for the woman who is every inch a female." A dominant mood photo across the top and the very look of the packages themselves contributes to a message that is *much more than a catalog.*

Divide and be conquered

Electric shavers form another category of advertisers who are dissipating energies by trying to be masculine and feminine at the same time. Both Remington and Schick divide their space about 50-50 between models for him and for her. Trying to expand the razor market by selling both sexes is certainly courageous . . . but telling the two stories side by side may well be foolhardy.

The desired ruggedness of a man's shaver is not enhanced by placing it next to a Lady Schick or Remington Princess. The natural repugnance toward the idea of women shaving is not eased by adjacent discussion of the Hidden Beard and Built-in Whisker Guides.

Catalog for him and for her

It's fun to listen

Today there's fascinating variety and ingenious sparkle in radio's commercials. Titus Moody's twangy monolog for Pepperidge Bread. Homey conversations between Ethel and Albert for Arnold Bakers. Pearl Bailey's singing for Martinson's Coffee. Joe E. Brown's voice for Good Luck Margarine. Henry Morgan's special and wonderful brand of humor for Hoffman Beverages. Hit Parade's catchy tune whistled as an introduction and as background for voice. La Rosa Spaghetti's provocative "When was the last time you were kissed in the kitchen?" All these are both the cause and the effect of radio's revival.

Blind ad (really blind)

"$4,000,000 Advertising Agency Seeks Merger" was the headline of a recent newspaper ad. Body copy explained that "We want to be an 8 to 10 million dollar agency overnight" and asked that replies "on your own letterhead" be sent to a box number. It's a startling combination of naivete (that an agency can double in size overnight) and gall (that the merger-seeker remains anonymous while the potential respondent is asked to identify himself).

From the mailbag

• *Anthony Marcin* of the Chicago Tribune calls attention to the rapid strides being made in newspaper full-color. His example is Marshall Field's invitation to visit the store at Yuletide. A four-color drawing of the first floor was faithfully and feelingly reproduced.

• *Fred Hulburd* of Victor Adding Machine asks "Do you go for simplicity?" Usually, yes . . . because advertising errs much more often in telling too much than in saying too little.

• *George Way* of General Electric's Press Relations Dept. opines that "Relax luxuriously at top speed (as used for S. S. United States) is "a devastating commentary on today's way of life."

• *J. A. Gibb* of William Feather Co. (Cleveland) had some fun with suggested variations on the copy used for Sioux Saws. Two of his musings offered to Sioux free of charge are: "How many Sioux' could a Sioux Saw saw if a Sioux Saw could saw Sioux?" and "If the Sioux Saw did saw Sioux, could the sawed Sioux sue Sioux Saw?"

• *Morton Freund* of the Gumbinner Agency objects to misuses of "personal" in letters (Best personal regards); in conversation (I personally think); in advertising (Include this suit in your personal plans for a well-dressed future). He likens these examples to Woolcott's crack that book titles such as "Einstein—the man" are possibly intended to distinguish from Einstein the ashcan.

. . . much more than a catalog

What retailers want in packaging

In the past four months, TIDE correspondents in 10 major cities have interviewed more than 60 retailers in supermarkets, drugstores, liquor shops and variety stores. Out of these interviews comes one salient fact: from the retailers' point of view, much of the $6.5 billion spent on packaging is going to waste.

- In Philadelphia, a supermarket operator wonders why Campbell Soup Co. wastes money to redesign its soup can label.
- In New Orleans a drugstore owner can't understand why Max Factor puts its Hi-Fi makeup and lipstick in an ungainly display package.
- In Seattle, a liquor store operator hates Haig & Haig for putting its scotch in a pinch bottle that hogs shelf space.
- In Miami, a variety store manager won't display Anchor Hocking juice glass sets because when the box lid is opened, there's no transparent cover over the glasses and they get dirty.

These four examples, selected at random from a survey of retailers in 10 major cities, dramatize a basic problem in modern packaging. While packages are designed to catch the consumer's eye, they don't always fill the needs of the retailer. And in today's competitive market, the good will and co-operation of the men who deliver products to the consumer is essential.

It's not possible, of course, to satisfy the crotchets and complaints of everyone. Very often, a package simply can't please both retailer and customer. But it's obvious that advertisers are doing less than they should, despite the elaborate research expended on package design.

In the eyes of the retailer, consumer packaging as a whole suffers from several major shortcomings, each of which seriously reduces the effectiveness of the package.

➤ **First, say retail executives, too many packages (in every product category) are designed with total disregard for the storage and display requirements**

(Continued on page 36)

SUPERMARKET OPERATORS DISLIKE PACKAGES THAT:

- **don't answer shopper's questions, create confusion about price, hamper checkout efficiency.**
- **can't withstand supermarket wear & tear.**
- **depart from standard shapes & sizes.**

DRUGGISTS DON'T WANT PACKAGES THAT:

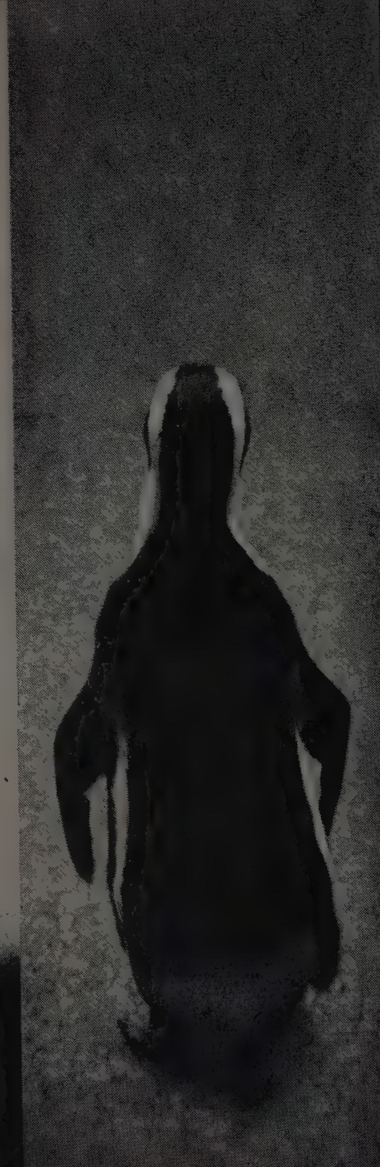
- **combine related products, waste space, must be broken up to sell well.**
- **give proprietaries a "supermarket" look.**
- **don't make expensive drugs look valuable.**

MILK

Strike which would cut off New York's milk supply is covered by exclusive interviews with adamant labor and management officials.

MODERN

Jazz as explained by high priest of the cool sect, Dave Brubeck. Other music luminaries interviewed: Horne, Handy and Lombardo.



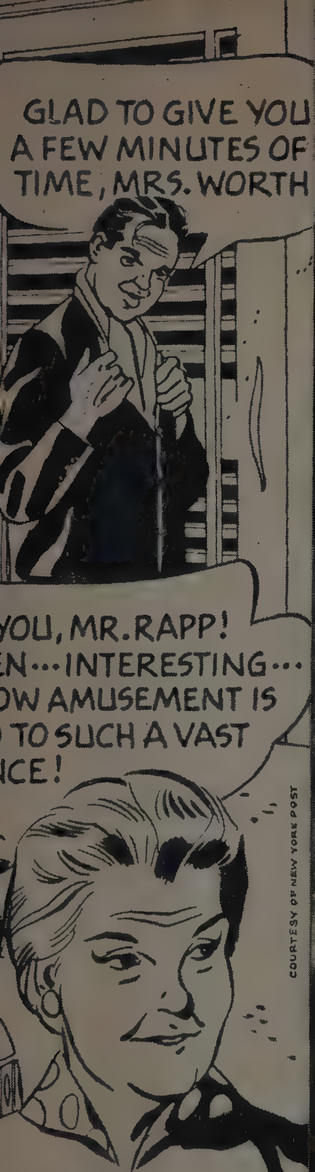
MISSING

A Long Island family laments the loss of its pet penguin. "This Is New York" helps find her. Reward: pet penguin bites announcer Dugan.

MARILYN

More talked about than talkin
she gives rare, on-air appraisal
Actors' Studio, her cooking and h
ambition to play role of Grushenk

"THIS IS NEW YORK



MARY

app talks about the lampooning "Li'l Abner," by rival comic "Mary rth." Capp counterattacks, pic- es little lady as "Mrs. Worm."

MOTORMAN

On-the-spot coverage of Bronx subway crash, including tapes of emergency amputation allowing motorman to be freed from his cab.

MEYNER

On day of his re-election as New Jersey Governor he tells "This Is New York" he is "pleased, not surprised" by his nationally-significant victory.

MAGAZINES

A five-report series on Cheesecake magazines. Hugh Hefner says his "Playgirls" are average young ladies, flattered to pose "au naturel."

ON WCBS RADIO...

MONDAY THRU FRIDAY
9:30-10:30 PM

Reporters Jim McKay and Dave Dugan attack New York's news ries with vigor and excitement. They can do the same for your sales stories. When they do, you'll get audience attention, faith and response.

Represented by CBS Radio Spot Sales

of the average store. With the enormous expansion in the number of new products which must be stocked somewhere in the store, the package which is irregular in size or in shape becomes a major headache.

While a package which is distinctive in its size, narrow at the base and wide at the top, may look like a stand-out on the designer's drawing board, it's likely to get short shrift in a supermarket, where ease of stacking is a good deal more important than esthetics. As one supermarket operator puts it: "Will it break, can you stack it, can you mark it?"

Second, retailers object strenuously to packages which lack the ruggedness to stand up under the stresses and strains of modern, high-volume retailing. Few products these days repose in splendor under glass. They're pinched, poked, knocked about. To retailers, the extension of self-service means increased losses in ruined merchandise, unless manufacturers make a real effort to build durability into their packages.

A variety store owner points out, for example, that the average item stays in the store from 45 to 60 days. Under typical rough handling, a wooden toy may last through the period, but the cardboard or cellophane package may not. Once the package goes, the product is charged off as a loss—and the manufacturer may lose the next order.

➤ **Third, retailers complain that packages are not designed to suit their particular type of distribution outlet.** This grievance is common among druggists, who find that many of their traditional product classifications are easing into supermarkets, don't want the products in their stores to look like supermarket merchandise. This problem is likely to become more serious as the distinction between different types of retail operation continues to blur.

Fourth, retailers object to many packages on what might be called esthetic grounds: they just don't like the way they look. Chief gripe: a lack of distinction in design.

It's obvious from a glance at these retailer reactions that one often contradicts another. Apparently, if retailers could have their way, the ideal package should be rigidly standardized as to size and shape and fabricated from a highly durable material. At the same time, it should be radically different from competing packages. The package must take as little space as possible on a shelf, but it should be able to sell itself without any effort by a clerk.

➤ **In fact, the only thing retailers fail to explain is how a package can be absolutely standard and at the same time absolutely different;** how it can be narrow and unobtrusive and at the same time instantly recognizable.

Without any doubt, retailers who demand such a blend of opposites fail to grasp the essential nature of good package design. "Packaging," explains one package designer, "is a constant jockeying to stand out." To the manufacturer, merchandising considerations must come first.

The real dilemma, in short, is to satisfy the technical requirements of the retailer without destroying the real function of a modern package: to be noticed favorably by the shopper, and to be picked up.

How to do this? Comments from retailers suggest an answer. The single most important thing to come out of Tide's study is that retailers are convinced advertisers (and their ad agencies) don't really know what sells at the retail level, that they have little understanding of retail operation. Perhaps a more intense effort on the part of advertisers, agencies and package designers to meet retail executives halfway on common problems might pay off in greater understanding on both sides—and in more effective packaging. ■

LIQUOR RETAILERS COMPLAIN ABOUT:

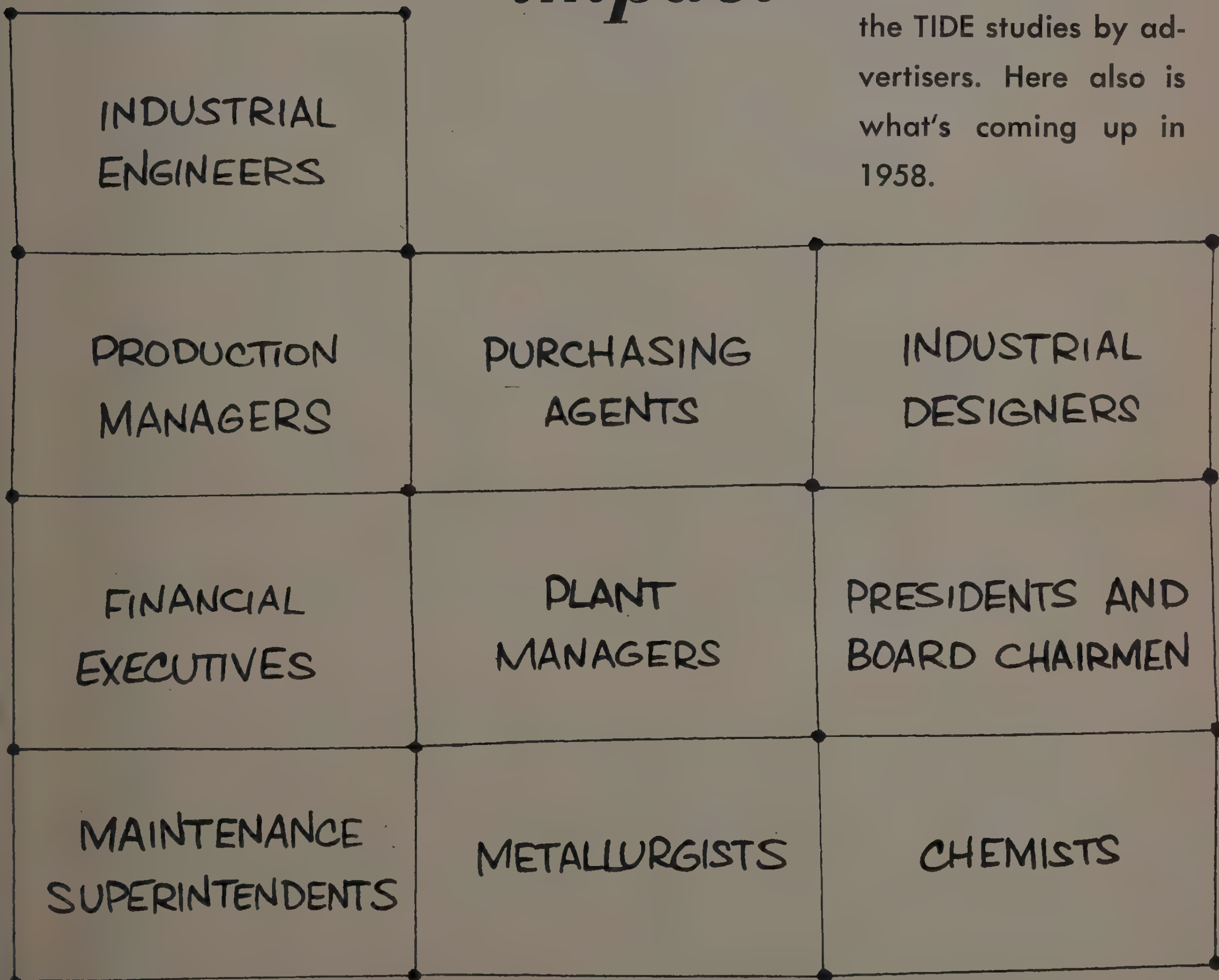
- **holiday decanters which lack consumer appeal.**
- **bottles of irregular shapes and sizes.**
- **packages which don't suggest age & quality.**

VARIETY STORE RETAILERS ARE PLAGUED BY:

- **packaged, ready to wear soft goods.**
- **unstandardized, carded merchandise.**
- **packages which don't permit visibility.**

Industrial advertising has impact

At year's end, here is a progress report on TIDE's continuing series on what happens when industrial executives read industrial ads — the impact on thinking, the impact on buying. This article tells what actions are taken, and how often, and what use has been made of the TIDE studies by advertisers. Here also is what's coming up in 1958.



Actions taken by 10 classes of executives after reading Industrial Advertisements

(compiled from TIDE studies of Executives' Reading—1957)

Industrial Engineers

Reduced maintenance costs	90%
Improved quality	90%
Cost reduction	85%
Simplified manufacturing	80%
Increased capacity	75%
Improved materials	75%
Improved appearance	70%
Simplifed processes	70%
Improvements in design components	70%
Higher speeds and feeds	65%
Aided research	65%
Reduced spoilage	65%
Improved finishes	60%
Improved automatic features	50%
Better control	50%
Eliminated shut downs	45%
Reduced assembly steps	45%
Improved safety	40%
Power economy	40%
Economy in first cost	40%
Improved plastics	35%
Lower cost per hour of use	35%
Improved employe morale	35%
Utilized smaller space	35%
Cut construction costs	35%
Obtained personnel	20%

Purchasing Agents

Learning about new products	95%
Ways to reduce costs	86%
Learning about improvements in old products	77%
Increase list of sources	72%
Obtain new catalogs	69%
Obtain free samples	63%
Suggestions for other company departments	63%
Find out about useful tests & trials available	59%
See the appearance of products displayed	54%
Find new systems for office use	54%
Form opinions about reliability of a source	46%
Get analysis of how a product is made	46%
Locate reliable distributors	41%
Locate nearby sales offices of vendors	41%
Appraise market conditions	41%
Obtain product case histories	36%
Reduce costs of record keeping	32%
Aid production department to increase output	27%
Learn ways to increase operating speed	23%
Learn about improvements in service guarantees	23%

Financial Executives

Suggested new systems	63.3%
Discovered new products	36.3%
Improved accounting techniques	36.3%
Located suppliers	31.5%
Improved records management	31.5%
Provided technical data	26.3%
Aided credit management	15.7%
Cut costs of handling payroll	15.7%
Originated new project	15.7%
Obtained credit information	10.5%
Suggested tax savings	10.5%
Aided financial supervision	10.5%
Safeguarded financial information	10.5%
Suggested acquisition opportunities	10.5%
Located new plants sites	5.3%
Obtained reputation of supplier	5.3%
Suggested capital investment	5.3%
Simplified handling of receipts	5.3%
Located new working capital	5.3%

Industrial Designers

Identify new materials	96%
Report new mechanisms	77%
Identify materials suppliers	73%
Suggest product components	70%
Reduce product cost	69%
Offer alternative processes	65%
Simplify product manufacture	65%
Suggest new finishes	62%
Obtain alternate parts suppliers	57%
Apply automation to production	52%
Increase product durability	51%
Reduce rate of parts wear	51%
Obtain substitute materials	51%
Increase product applications	47%
Cut product assembly steps	44%
Suggest new style	37%
Suggest new accessories	37%
Increase product strength	37%
Improve product safety	30%
Eliminate non-essential parts	27%
Increase product capacity	26%
Avoid scarcity of raw materials	25%
Add new merchandising feature to product	24%
Identify new packaging schemes	20%
Increase product sizes & forms	13%
Reduce electric power requirements	13%

Production Managers

Cut materials handling costs	77%
Improved tooling design	77%
Selection of original equipment	71%
Replacement of equipment	62%
Increased output	57%
Reduction of unit costs	57%
Selection of metals and alloys	57%
Increased safety	52%
Evaluation of methods	52%
Improved product design	52%
Increased automatic control	52%
Improved product finishes	47%
Simplified production process	47%
Reduced production spoilage	40%
Increased plant capacity	40%
Improved employe relations	36%
Reduced production down-time	36%
Increased automatic assembly	36%
Aided in materials specifications	36%
Reduced maintenance costs	30%

During 1957, **Tide** published 13 separate reports in its continuing study entitled, "What happens after industrial executives read industrial advertising?" This adds up to a lot words, and a lot of information.

The series examined the reaction to industrial advertising of 10 major classifications of industrial executives, including industrial engineers, production managers, purchasing agents, industrial designers, finance officers, plant managers, presidents and chairmen, maintenance superintendents, metallurgists, chemical engineers.

In addition, executives in these important companies were interviewed in depth with tape-recorders: Union Carbide & Carbon Co., Coca-Cola Co., American Machine & Foundry Co., Grumman Aircraft Engineering Corp., Yale & Towne Manufacturing Corp., American-Bosch-Arma Corp., Chase Manhattan Bank, Consolidated Edison Co. of New York, Inland Steel Co.

Executives in more than 485 companies contributed data, interviews, tape recordings or written reports to the studies. All reports included the names of the executives, their titles, company names. The reports quoted them directly. The executives participated voluntarily, without compensation. The

Improved plant layout	30%
Aid in selection of plastics	30%
Better use of space	27%
Cut raw materials waste	27%
Improved product packaging	27%
Cut non-productive supervisory time	27%
Reduced dust and fire hazards	23%
Reduced new plant costs	22%
Improved appearance of plant	13%
Improved employe health facilities	13%
Improved efficiency of power use	13%

Plant Managers

Production equipment aided	90%
Materials handling equipment bought	90%
Maintenance equipment improved	80%
Increased quality of inspection	75%
Reduced operating costs	75%
Improved quality of output	75%
Increased plant capacity	70%
Better control of processes	70%
Greater employe conveniences	70%
Selected superior materials	70%
Better safety	65%
Better lighting	65%
Better sanitation	65%
Utilized smaller space	60%
Increased automation uses	60%
Eliminated accidents	60%
Better power utilization	60%
Better equipment layout	55%
Elimination of waste	50%
Improved plant ventilation	50%
Reduced idle time	50%
Installed air conditioning	50%
Improved plant operating standards	45%
Reduced assembly steps	40%
Cut construction costs	35%
Better job order system	35%
Systematized salvage disposal	35%
Improved water supply	30%
Upgraded exterior grounds	20%

Presidents & Board Chairmen

New equipment purchased	80%
New materials purchased	65%
Reduction of costs made	55%
Improved packaging	55%
Technical services used	55%
Improved employe relations	45%
Improved financial aspects	40%
Installed control systems	40%
Modernized plant	40%
Used automation	40%
Simplified processes	35%
Aided plant construction	35%
Located markets	35%
Improved shipping	25%
Recruited personnel	25%
Learned about patents	20%
Obtained consultants	15%
Improved style or design	15%
Selected advertising mediums	15%
Analyzed plant sites	15%
Cut power costs	10%
Obtained distributors	10%

Maintenance Superintendents

Reduce maintenance costs	83%
Buy new equipment	77%
Locate new suppliers	77%
Improve plant appearance	77%
Improve plant safety	77%
Improve floor maintenance	77%
Promote plant cleanliness	72%
Purchase new materials	72%
Promote good housekeeping	72%
Aid plant electrification	66%
Substitute machine methods for hand operations	66%
Improve plant illumination	61%
Reduce fire hazards in plant	61%
Improve plant painting	61%
Simplify processes	50%
Improve exterior grounds	50%
Improve materials handling	50%
Reduce accidents	50%
Improve power maintenance	44%
Install automation	38%
Improve employe rest rooms	38%
Modernize shipping department	38%
Improve employe parking lots	38%
Improve employe locker rooms	38%
Reduce machine idle time	33%
Reduce maintenance inventory size	33%
Reduce job time for specific jobs	27%
Improve inventory controls	27%
Reduce insurance costs	27%

Chemists

Locate new materials	66%
Aid in equipment selection	66%
Process improvement	60%
Use of substitute materials	53%
Improve laboratory	46%
Develop new products	46%
Improve safety	46%
Reduce production costs	40%
Expand product uses	40%
Learn about patents	40%
Improve packaging	33%
Improve production methods	33%
Identify new markets	33%
Increase output	26%
Eliminate waste	26%
Cut power costs	40%
Assure quality	20%
Simplify process	20%
Obtain technical services	13%
Install better controls	13%
Aid research	13%
Aid employe relations	13%
Obtain consultants	6%
Improve style or design	6%
Conserve water supply	6%

Metallurgists

Improve laboratory facilities	71%
Buy new equipment	71%
Use new metals	65%
Locate new suppliers	57%
Specify new alloys	52%
Reduce manufacturing costs	30%
Purchase new materials	26%
Improve product appearance	26%
Improve employe know-how	26%
Simplify processes	21%
Improve employe education	21%
Improve product durability	21%
Improve foundry	17%
Improve product finishes	17%
Reduce inspection tasks	17%
Improve employe productivity	17%
Improve product safety	17%
Reduce job time for specific jobs	17%
Substitute machine methods for hand operations	13%
Reduce scrap	13%
Reduce hazards in plant	13%
Improve materials handling	13%
Reduce rejects and losses	8%
Improve ease of assembly	8%
Improve tool maintenance	8%
Install automation	4%
Modernize machine shop	4%
Maintain inventory controls	4%
Improve assembly of parts	4%

total elapsed time for the study, from its inception to now has been 19 months.

What have been the findings so far? In brief, all the articles agree on these points:

- Industrial advertising is an important factor contributing to the industrial progress of the U.S.
- Some two-thirds of executives (in all functions) can cite specific examples of advances in industrial equipment, methods and operations achieved by their companies as a result of applying information originally obtained from reading ads.
- Almost all (95%) executives read certain specific types of articles and advertisements in order to keep abreast of developments in methods, equipment, supplies and processes offered by advertisers.

More specifically, executives reported in the studies that they read, on the average, more than six hours per week, every week. They read at least four publications, and some read as many as 12. Coca-Cola president William E. Robinson, for example, reads four or five hours per work-day. Said Robinson: "I realized after some years in the newspaper business that I found a considerable amount of news in ads themselves and I finally got to be

How executives follow-up ads . . .

Presidents

- Refer ad to engineers — 80%
- Clip ad — 75%
- Refer ad to production manager — 65%
- Refer ad to designer — 65%
- Compare with other data — 50%
- Fill out reader service cards — 45%
- Request manufacturers' catalog — 45%
- Refer ad to purchasing agent — 40%
- Request price data — 35%
- Ask for producers test data — 35%
- Ask for delivery dates and quantities available — 35%
- Order test quantity — 30%
- Ask for research report on item — 30%
- Request demonstration of item — 25%
- Get opinions of other users — 25%
- Request complete technical data — 25%
- Write for more information — 15%
- Call a local distributor — 15%
- Ask a salesman to call — 5%

Plant Managers

- Fill out reader service cards — 95%
- Request manufacturing catalog — 85%
- Writes for more information — 75%
- Clip out the ad for reference — 75%
- Ask manufacturer to send salesman — 65%
- Request demonstration of product — 50%
- Request complete technical data — 50%
- Request sample of material — 50%
- Order trial quantity for test — 50%
- Get opinions from near-by users — 45%
- Compare with previous filed data — 40%
- Write a memo for some other departments — 40%
- Call up a local distributor — 35%
- Ask for application engineering service — 25%
- Ask for manufacturer's test data — 20%
- Ask purchasing department to get data — 20%
- Ask standards department for comparison — 15%

Chemists

- Clip out the ad — 66%
- Request complete technical data — 53%
- Refer to laboratory — 46%
- Discuss in conferences — 46%
- Request manufacturers' catalog — 46%
- Route to associates — 40%
- Fill out Reader Service cards — 33%
- Request samples — 33%
- Ask salesman to call — 33%
- Order trial quantity — 26%
- Request test data — 26%
- File until later — 26%
- Digest data for file — 26%
- Refer ad to purchasing agent — 26%
- Write for other information — 26%
- Refer ad to production manager — 13%
- Get opinions of others — 13%
- Check delivery dates — 13%
- Compare with other data — 13%
- Verify reports of uses — 13%
- Refer ads to designers — 6%
- Call up a local distributor — 6%
- Verify guarantees — 6%
- Ask application data — 6%
- Check price comparisons — 6%
- Check up on claims — 6%
- Visit advertiser's plant — 6%
- Contact advertiser's chemists — 6%
- Ask consultant about it — 6%

Metallurgists

- Fill out reader service cards — 78%
- Request complete technical data — 74%
- Write for more information — 74%
- Request manufacturer's catalog — 65%
- Clip out ad — 60%
- Order trial quantity — 43%
- Refer ad to engineers — 39%
- Request price data — 35%
- Ask salesman to call — 30%
- Ask for research report on item — 26%
- Ask for producer's test data — 21%
- Call local distributor — 21%
- Compare with other data — 17%
- Request application engineering service — 17%
- Request demonstration — 13%
- Get other opinions — 13%
- Refer ad to production manager — 8%
- Refer ad to purchasing agent — 8%
- Ask for delivery data and quantities available — 8%
- Refer ad to designer — 4%

Maintenance Superintendents

- Request manufacturer's catalog — 88%
- Fill out reader service cards — 83%
- Clip out ad — 77%
- Request complete technical data — 72%
- Write for more information — 66%
- Request price data — 66%
- Compare with other data — 54%
- Order trial quantity for test — 44%
- Get opinions of other users — 44%
- Refer ad to engineers — 44%
- Request demonstration of item — 38%
- Ask for data on delivery dates and quantities available — 38%
- Call up local distributor — 33%
- Request application engineering service — 33%
- Ask salesman to call — 27%
- Refer ad to purchasing agent — 27%
- Ask for producer's test data — 27%
- Refer ad to production manager — 22%
- Refer ad to designer — 22%
- Ask for research report on item — 22%

Some objectives of executives when reading ads

Chemists' objectives when reading industrial ads	
To keep up-to-date	86%
To get ideas	79%
To plan new projects	66%
To get new materials	60%
To find new items	60%
To locate suppliers	53%
To solve a current problem	46%
To improve processes	40%
To get alternate sources	33%
To cut costs	33%
To improve product features	26%
To aid employe education	20%
To verify opinions	13%
To aid employe convenience	6%

Maintenance superintendents' objectives when reading industrial ads	
To reduce costs	98%
Keep informed on technical aspects	83%
Improve maintenance processes	77%
Get ideas for equipment maintenance	77%
Plan future projects	66%
To solve a current problem	66%
Improve plant layout	54%
Improve standard methods	54%
Locate new suppliers	50%
Get new equipment	44%

Metallurgists' objectives when reading industrial ads	
Keep informed on technical aspects	95%
Study new metals	60%
Improve metalworking processes	52%
Plan future projects	52%
Solve a current problem	48%
Obtain research data	48%
Get ideas for production technique	43%
Get new equipment	43%
To reduce costs	39%
Locate new suppliers	35%
Improve standard methods	35%
Improve production specifications	17%

almost dependent on advertising for certain types of news.

"I can hardly remember an occasion in reading advertising when I didn't get some important news — you might say information — that was not in the news columns. This is almost constant, so it isn't a question of remembering one or two instances—it's really quite continuous. There are thousands and thousands of instances."

Like Robinson, a great many executives spend considerable time reading ads. Some like Minnesota Mining & Mfg. Co. project leader J. F. Abere, spend as much as 50% of their reading time on ads. Others, like Merck & Company's William L. Benson, spend more.

In the field of action taken by executives after reading ads, the record is even more impressive. During 1957 there were more than 250 specific actions taken by executives who contributed to **Tide's** series. The types of buying influence exerted by industrial advertising is immensely varied (see chart)

The products purchased and installed as a result of reading industrial advertising (reported on during the series) included more than 200 individual items. They ranged in variety from silicones and plastics, through powdered metals and complex alloys, electronic apparatus and machinery, materials handling equipment, power supplies and equipment, to industrial tools and instruments. In the aggregate these purchases constitute direct evidence that there is a vital and primary influence upon buying exerted by facts contained in industrial advertisements.

Then, too, there is significant and direct evidence that a wide range and a specific frequency of purchasing of industrial products occurs after information is originally obtained from ads by the reader. For example, Pyromet Co. metallurgist Robert L. Ray reports that buying results 10% of the time, while DeLaval Separator Co. chief chemist and metallurgist Andrew E. Merget (among others) reports that buying resulted fully 50% of the time.

The list of industrial processes in which the results of reading (and buying) have been applied is truly endless. Here's a sample: atomic energy, automation systems, brazing, contour-turning, continuous casting, carbide-facing, diamond polishing, electroplating, grinding, heat-treating lubrication, metal bonding, metal ceramics, metal coating, packaging, photo-micrography, polishing, powder metallurgy, precipitation hardening, rustproofing, salt bath cleaning, shell molding, steel production, surface finishing, testing, vacuum metallizing, wax-compound lubrication, welding, wire-drawing.

The reports established that this impressive record of results from industrial advertising is in part due to a variety of efficient (and elaborate) systems for following up the information contained in ads (see charts). It was also learned that information contained in industrial ad copy often goes into permanent use by the reader's company, in the purchasing, engineering, production or other technical information departments.

As a further indication of the value of **Tide's** study to industrial advertisers, many major industries, including chemicals, electrical products, metals, machinery and industrial supplies, have used one or more of the individual studies to inform top management, sales and other executives about the actions which are taken after ads are read.

A number of industrial, manufacturing, advertising organizations, and trade associations included discussion of these studies in their regular meeting sessions. Business publishers have used the studies in educational conferences with their salesmen.

In short, the reaction to **Tide's** series demonstrates the real need that exists for detailed information on the impact of industrial advertising. To meet that need, **Tide** will continue the series into 1958. Reports will be presented covering such fields as construction managers, electronics engineers, executives and architects. ■

MEDIA OUTLOOK®

by Carol Bick Tolley

Some thoughts as the new year starts

Concensus among the media is that 1958 can be a pretty good year for them—provided they work hard enough at the job. Sounds trite, but oddly enough it's a considerable switch for many.

Toughest question the media face is where & how to apply the effort. One cue comes from Life, which now has what it calls a marketing division. Idea is to sell not just a company's brass on the magazine, but everybody important at its regional branches and along its distribution line. What few realize is that Curtis pioneered that sort of selling a couple of years ago, masterminded for Satevepost by the late Morton Bailey.

Rise of the "depth sell" makes it tougher than ever for the smaller media. But the trend is unmistakable.

★ ★ ★ ★

One thing we'd particularly like to see this year: the end of subliminal advertising, a half-laughable, half-ghastly idea that contributes absolutely nothing to a marketer's sales knowledge or his self-respect.

★ ★ ★ ★

Perverse or not, we're for widespread tests this year of pay-as-you-see television, but relegated to UHF channels only. Another unlikely prospect we hope for: the catching on of color television.

★ ★ ★ ★

Crucial, we think, is some solution soon to the controversial problem of what media can reasonably be expected to supply advertisers in the way of audience information. The National Industrial Advertisers Assn. has abandoned its idea for a uniform Media File. The Advertising Research Foundation is stalemated with its Consumer Magazine Audience Study. The Audit Bureau of Circulations' agreement to count (but not to classify) the free part of business papers' circulation doesn't go far enough for many industrial advertisers. Reason for these failures by advertisers is plain: the media are supposed to foot the bill for the projects and thus they're in the driver's seat—at least right now. But what next? How about some policy talks instead of pressure tactics?

★ ★ ★ ★

While we're on the subject, let's have a college try by ARF's chairman, Wallace Wulfeck, or by its president, William Hart, to save the research organization from the inevitable consequence of the magazine audience study's difficulties. Whether ARF realizes it or not, the future now is not bright for any medium to allow ARF to research it freely. The magazine study was ARF's first venture into media research and it will doubtlessly be its last unless something is done. Media may want ARF simply to "validate" research, but that's not what other members have in mind. One way out is to explain complete ARF plans for that All Media Study of which the magazine study is supposedly a key part. Why all the secrecy when ARF's future as a dynamic research organization is what is really at stake?

★ ★ ★ ★

Shouldn't Television Advertising Bureau's Norman Cash count to 10 before he talks? Too often, his pronouncements are painful "promotion-ese." For instance, charging that the New York Times reported a slowdown in television buying because its own circulation is off (it isn't). Or declaring that competing media may have influenced agencyman John Cunningham to call television programing a bore.

★ ★ ★ ★

The Magazine Publishers Assn. faces a tough job nobody talks much about. That's getting the Benjamin Franklin Awards to do for magazines what the Pulitzers do for newspapers — credit editorial excellence with a prize that has glamour. The five-year "anonymous" grant that was supposed to, but didn't, establish the Franklin awards in that realm ends this year.

★ ★ ★ ★

As for the "editorial" part of media, we're 100% for pre-testing television programs. Why not? One bright trend on television's program horizon: General Motors reportedly seeks a "TV czar" to make sure all its television ventures are as successful as the last one. That's the job category Sylvester L. ("Pat") Weaver fills for Kaiser Aluminum. Why not, though, experiment with the idea that the man sought need not be the executive type? How about the creative type, such as a Caesar or a Kovacs?

★ ★ ★ ★

Inspiring "journalism," incidentally, came last year not just from newspapers and television (especially the latter's interviews with Krushchev and Tito). Both Life and CBS Radio did tremendous jobs on the Galindez-Murphy mystery involving the Dominican Republic.

Hopefully, somebody this year will tackle the job the Atlantic's December issue on "Communications" promised to do but didn't. Anybody who read the issue will know how far it fell short of answering the questions its prospectus posed: "Are we in danger of receiving so much information that the good will be lost in the deluge of odds and ends? Are the people's means of talking back to editors and telecasters inadequate? Does the economic weight of the big corporations and foundations tip the balance when controversial ideas are being weighed? How should government use its power in the whole field of mass communications—national and international? And specifically, what is the foreseeable future for publishing, for TV and radio, for advertising?"

★ ★ ★ ★

Of the most talked-about recent ad campaigns, one ran in the newspapers (Schaefer beer), one on television (Piel's), one gained first fame in the magazines (Marlboro) but two won their accolades on radio (Pepsodent, Budweiser).

A way to control magazine costs?

Advertisers worried about magazine advertising costs would do well to watch **the promotional presentations coming from the Magazine Publishers' Assn. in the next year or so.** One of them may be the tip-off to **a new attitude toward costs in the publishing industry.**

The reason: publishers, led by MPA, are gradually edging toward the kind of **scientific cost-control and operational budgeting** that has kept business publications profitable for years.

MPA has been exploring with the accounting firm of J. K. Lasser & Co. the possibility of **a magazine cost book similar to the series prepared by Lasser for Associated Business Publications and National Business Publications.** These continuing cost studies provide detailed yardsticks for every conceivable cost and revenue item in publishing. They're compiled from confidential information on operations fed to Lasser by publishers. **With a good cost book, publishers can see at a glance where their costs are out of line with the industry as a whole.**

Until recently, when consumer magazines finally decided to close ranks and work together, **publishers were extremely reluctant to reveal the inner workings of their business to anyone,** even to an auditor, if they thought competitors could make the slightest use of the data.

The result, says one magazine executive: **"Costs are figured by the seat of the pants."**

The scheme to develop unified cost data has been in the MPA hopper for years. It ground to a halt 18 months ago, was reactivated recently by Popular Science publisher Ralph Flynn's business management committee.

Three exploratory studies have already been completed (two of which have been released to MPA membership): personnel practices, clerical personnel, subscription fulfillment personnel.

If and when the publishers decide to compose their differences and cooperate on a full-scale cost study, advertisers can expect to hear about it. While the cost book will be (like the business publication versions) highly confidential, **some kind of presentation will be built on it, to convince advertisers that publishers aren't just raising rates out of sheer avarice.**

:S number three— ore troubles for TV:

The controversial television station coverage studies issued by A. C. Nielsen Co. are due for an addition. NCS number three, updating television coverage figures since 1956, **will probably be in the hands of subscribers this summer.**

Each time Nielsen issues one of these, **the industry is rent with controversy over its value and its accuracy.** The latest is likely to make as much noise as its predecessors. Here's why:

The basis for a station's salability to national spot advertisers is its coverage: how many homes in how many counties it can claim as an audience. **Nielsen's basis for measuring coverage is considered overly liberal by some agencies.**

As a result, many agencies devise their own cut-off points for deciding whether or not a county should be credited to a station. Cut-off is often where viewing level for a county drops more than 50% from the next highest county.

The bitterness results from the conflicting claims of stations and agencies. One hope: NCS number three promises a finer definition of coverage than its predecessors offered.

What's new with ARF's magazine study:

Now that the Advertising Research Foundation's controversial magazine audience study has been referred to the Magazine Publishers' Assn. for evaluation, you can expect it to quietly disappear for at least three months.

The study will go first to MPA's Magazine Advertising Bureau committee, then to the research sub-committee for detailed soul-searching. What will happen then is anybody's guess.

One clue: MPA may try to shift attention from the audience study to a project of its own.

MPA has been exploring a plan to measure the qualitative impact of different media; e.g., the role of magazines vs. the role of television from a motivational research viewpoint. There's a proposal up for consideration from Chicago's Social Research, Inc., which claims to be able to do the job at reasonable cost.

Mutual is stirring around:

Paul Roberts' Mutual Broadcasting System is finally taking steps to translate promises about the radio network's future into specifics—and backed by hard cash.

MBS has applied for a permit to build an FM station in San Francisco. Estimated cost: about $17,000. On the surface, an FM station doesn't seem to promise much to advertisers interested in network radio. But the implications are important.

The FM station (first of seven Mutual will buy or build) will strengthen Mutual's network service. Traditionally, MBS has been strongest in small markets off American Telephone & Telegraph's main transcontinental cable. About 40% of Mutual's affiliates are served by the so-called C lines, which provide transmission little better than ordinary telephone wire. FM stations are capable of relaying strong signals to these stations without the use of wires. Second, MBS is thinking in terms of a future good-music network service to ride the boom in hi-fi equipment sales.

The improvement in current transmission, and the interest in FM broadcasting for its own sake, point to the continued interest by Mutual in music programing. Obviously, Roberts thinks the salvation of his network lies in music-&-news programing, not in traditional network entertainment.

Correction:

In Tide's recent article, The Squeeze on Magazines (December 13, 1957, page 19), the cost-per-thousand circulation for Grit was erroneously reported as $7.53. Actually, Grit's cost-per-thousand in 1957 was $3.94, a substantial decrease from 1950's $4.27.

FACES OF THE FORTNIGHT

Eberhard-Faber's Horne prepares to diversify

Exactly one year ago, Eberhard-Faber, one of the country's top four pencil makers (the others: Eagle, Venus; Dixon) moved its manufacturing plant from a crowded factory in Brooklyn to a streamlined plant at Wilkes-Barre (Pa.). The new plant occupies only seven acres of the company's 32-acre plantsite—one indication, according to Eberhard-Faber's newly promoted marketing vice-president John D. Horne, that the company is on the verge of a sizable product diversification.

Horne, who until this month, was Eberhard-Faber's sales vice-president, will head a newly formed marketing division encompassing three departments (sales, advertising and general merchandising), with the heads of each department reporting directly to Horne. Reason for the new marketing department, according to Horne, is the need to tighten up Eberhard-Faber's entire marketing structure, with an eye to major expansion, into products outside the writing instrument field.

Until a few years ago, says Horne, Eberhard-Faber was an "old-line merchandising company" whose main emphasis was on selling to dealers rather than to consumers. In 1954 the advertising policy was altered: instead of only its traditional business paper schedule, Eberhard pushed four-color ads in consumer magazines.

This year, Eberhard-Faber's ad budget will be the same as 1957: $500,000, all of it in print media (via Anderson & Cairns). In addition to art magazines and business publications, four-color ads will appear in Business Week, Satevepost, Time and Newsweek. The ads will feature pictures of a single blonde model each time, who Horne believes will serve as a "recognition factor" for the company. The model will demonstrate one particular E-F product in each ad, though others will be mentioned in the logo.

Eberhard-Faber's Horne:
25 acres for new products

Eberhard-Faber makes more than 3,000 products, the largest number made by any single company in the writing-instrument field. Included in the product line is the ball point pen, which Horne says has taken its place in the writing instrument picture without substantially affecting pencil sales. "The pencil is still the original point of contact between man and idea,"

(Continued on p. 46)

Tide

Advertising Index

Reprints of the Special Report starting on p. 47 are available for 25c per single copy, 20c per copy on orders of 10 or more reprints. Write Tide, 386 Fourth Ave., New York 16, N. Y.

FACES (Continued on page 45)

Horne says, "and will continue to be in the future."

Horne joined Eberhard-Faber as a salesman two years after graduation from the University of Pennsylvania's Wharton School of Business in 1935. Since that time, the 46-year-old marketing vice-president says he's held just about every job in the sales department from bottom to top. Currently, Horne is locating a new home for himself, his wife, and two young sons in Wilkes-Barre. Horne calls golf his main relaxation, laughingly says most of his "leisure" time is spent in the air—traveling from one business appointment to another.

WORDS AT WORK

- Pitcher of contentment.
  —LIPTON ICED TEA
- Waiters hop, eyes pop, and hearts flip-flop for the man who smokes the fine cigar.
  —DUTCH MASTERS
- The world's most humane electric alarm clock. —TELECHRON
- For an enjoyable occasion . . . or occasional enjoyment.
  —PIPER-HEIDSIECK
- Top management men are harder to see than the inside of a harem.
  —WJR
- Racing with the sun at 615 miles an hour. —CONVAIR
- The big boat designed to get-up-and-step with a single motor.
  —THOMPSON
- The road isn't built that can make it breathe hard. —CHEVROLET
- Everywhere under the sun . . . always tastes a shade better.
  —WALKER'S GIN
- You'll find just the model to go with your kitchen—as neatly as it goes with your way of life.
  —KITCHEN AID DISHWASHER
- Suddenly . . . your patch of beach becomes a Paris salon.
  —COLE SWIMSUITS
- Faster than a terrified male on Sadie Hawkins Day.
  —ANSCOCHROME FILM
- Quiet hum of pure power, itching to step out at a gentle hint from your toe.
  —PENNZOIL
- For cuts, scrapes—all "skinjuries."
  —UNGUENTINE
- Clean as Sunday all week long.
  —DR. WEST'S TOOTHBRUSH
- Dates wait, beauties radiate, and queens abdicate for the man who smokes The Fine Cigar.
  —DUTCH MASTERS
- You want both hustle and muscle in the car you drive—right?
  —BUICK
- Exciting projects—still classified—are going full speed ahead.
  —DOUGLAS AIRCRAFT

Perhaps the most significant aspect of the Frey Report is advertising managers' dissatisfaction with their agency liaison. This special report, adapted from a speech by Clarence Eldridge before the Grocery Manufacturers Assn., points up the usual sources of agency-client friction—but more important, offers . . .

11 keys to better agency-client relations

By Clarence E. Eldridge

Clarence E. Eldridge, one of the most respected elder statesmen of advertising & marketing, has had a varied and highly successful career. He has been a newspaper sports editor, lawyer, baseball umpire and football referee, admanager of an automobile company (Reo), vice-president & plans board chairman of an ad agency (Young & Rubicam), marketing vice-president of one major company (General Foods Corp.), and executive vice-president of another (Campbell Soup Co.). Since 1956 he has been vice-president of George Fry & Associates, management consultants. He is shown above speaking to the Grocery Manufacturers Assn.

Special report

● According to the Frey Report, more than one-fourth of all advertising managers with budgets over $1,000,000 say their account executive liaison is inadequate; and more than *half* of the agencies feel that the advertising manager liaison is inadequate.

This evidence of dissatisfaction—on both sides of the fence—is apparent in other findings of the Frey Report. This is highly significant, and serious. If it is true that one of our most effective weapons against inflation is to be found in making our advertising dollars more productive; and if a compatible, harmonious, satisfied relationship between client and agency is requisite to the most efficient use of our advertising dollars, then this unsatisfactory relationship should be a cause of great concern—perhaps of more immediate concern than the matter of agency compensation.

One of the most important decisions that any advertiser is ever called upon to make has to do with the selection of an advertising agency.

I know from experience what is involved in making that decision: first, the painful decision to dismiss the present agency; then the screening of many agencies; and finally, the selection itself.

And I know what a feeling of relief you experience when once the decision has been made. You are impressed with the record, the personnel, the skill, and the character of your new agency. Small wonder that you are inclined to sit back and relax—comfortably assured that your problems are now in good hands, that you have a thoroughly competent agency, and that it can relieve you of much of your responsibility for the formulation and execution of marketing plans.

I would like to suggest that the advertiser not be misled by this perfectly natural reaction to the weeks of uncertainty and indecision. It is quite proper that the advertiser should look ahead optimistically to the contribution his new agency can make, and to the assumption by the agency of part of the responsibility that the advertiser has been carrying. But the selection of an advertising agency is not going to solve all of an advertiser's marketing problems. The advertiser cannot divest himself of all responsibility for his advertising or any of his other marketing activities. The realization of the full potential of the client-agency relationship depends upon effective collaboration between the two.

Each must contribute its part to the combined effort—and without this kind of intelligent, discriminating collaboration, the most conscientious and skillful efforts of the agency will fail to produce the desired results. The quality of the service received by an advertiser from his agency can be no better than the quality of leadership, inspiration and direction which the agency gets from the client.

From time to time we hear discussion as to what an advertising agency can do to make its clients' advertising dollars produce more. But equally important is what the agency is entitled to expect from the advertiser. What can the advertiser do to insure that in his own best interests he makes it possible for the agency to do the best possible job?

First, of course, we should know the ground rules: whether the advertiser thinks of his agency simply as an advertising agency, or as a marketing agency. If all the advertiser wants is an agency to "make some ads," to recommend and buy media, and to buy radio or television programs, that is one thing. To me, at a time when the total marketing concept is so rapidly gaining acceptance, such a limited view of the agency's function is quite unthinkable. But in any event, for the advertiser who thinks of his agency in those limited terms, much of what I shall have to say is irrelevant.

On the other hand, there is the client—and I think he is representative of the more sophisticated and successful organizations—who wants his agency to concern itself with all phases of marketing. To be sure, even under this concept a *major* function and a primary responsibility of the agency is in the area of advertising; but it is also expected to advise the client with respect to such things as new products, changes in product, packaging, pricing, sales-policies, distribution-objectives, selling-programs, promotional activities, etc.

It is this latter category of clients for whom the suggestions I am about to make are intended.

I. The agency has the right to expect that the advertiser believe in advertising; that he have a general understanding of the way advertising works; and that he recognize both the capabilities and the limitations of advertising.

There are still a great many advertisers who have neither faith in advertising nor an understanding of it. They advertise because they're afraid not to; or because "It's the thing to do"; or because their competitors do. Their belief in advertising is a negative belief. They advertise for the same reason some people go to church. They don't exactly *believe* there is a hereafter; but they're afraid there *might* be, so they take out insurance.

And just as he must have faith in what advertising *can* do, he must likewise recognize what it *cannot* do. If he expects advertising to compensate for an inferior product, or for excessive pricing, or inadequate distribution, the results will surely be disappointing—and he will charge up to advertising and *to his agency* failures which manifestly belong elsewhere.

II. The partnership nature of the relationship should be recognized.

This is trite and hackneyed—but I am not sure that in all cases it is given more than lip-service. In any event, it is so vital to the establishment of a fruitful relationship that it cannot be restated too often.

Just what do we mean by a "partnership relationship"?

For one thing, with respect to those things that are part of the marketing complex, the agency should be taken into the confidence of the client and provided with all the information that is needed as the basis for sound marketing recommendations and advice. If the agency is expected to give advice with respect to pricing, level of advertising expenditures, deals, etc.—as in my opinion it should be—then it must know the facts about costs, gross margins, profit-objectives, etc. I know there are still some companies which do not feel free to divulge this kind of information, presumably in the fear that the information may leak. I can sympathize with that concern—but on the other hand, some of our most successful companies have long made complete disclosure to their agencies, and I have never heard of an instance where this kind of confidential information has gotten into unauthorized hands.

This is only one example of what I mean by a "partnership relationship." I mean also that it should be recognized

hat the client and agency are working toward identical objectives; and that the success of the agency depends ipon the success of the client.

III. The agency should be accorded respect as a reputable, well-managed, successful business.

The client should not look down upon the agency as a bunch of hucksters—or even as a collection of "just advertising men." To be sure, there have been and always vill be some hucksters and playboys in advertising; just as there are quacks in medicine, shysters in law, renegades n the ministry, and sharpsters in business. But they are not ypical of the advertising profession, or of agency personnel.

The agency you select, if you select at all wisely and liscriminatingly, is in its own right a successful enterprise. ts annual volume is likely to be $25,000,000 or more. t has the same problems as yours and any other business -particularly the problem of selecting, training and adminstering its personnel and the problem of running its busiiess profitably. If it didn't do this, it wouldn't be in busiiess—and certainly you would never have put yourself n its hands.

The people who run successful advertising agencies now the value of a dollar—yours as well as theirs. And vhat is more, most of them are people of the highest ntegrity—people whose recommendations are based not n the amount of commission a given plan will produce, ut on what is the most effective way to spend your money nd achieve your marketing-objectives.

IV. The agency is entitled to know how the advertiser thinks of itself: its philosophy, its basic policies, its standards of business morality and integrity, and its objectives—both in terms of profits and of its contribution to the needs of consumers and the welfare of society.

Back of every product is a producer. The producer nay never be mentioned, in any advertisement or other ublic utterance. But the image of that producer, even hough invisible, is in the background of every product sells, every sales and pricing-policy it adopts, every dvertising-claim it advances. And no one else is as cometent as the producer himself to define the character he ants to assume, and to determine the image that he ishes to project to the world.

It is therefore of the utmost importance that the adversing agency, to whom is principally assigned the task of anslating this philosophy and these objectives into a orporate image which can be projected, should be given y the client a clear picture of himself as he *sees* himself.

V. The advertising agency should have the primary responsibility for an effective **presentation** of the advertising-message: but the advertiser himself should assume the primary responsibility for determining **what that message should be.**

Over the years, much progress has been made in improving the effectiveness of the *presentation* of sales-appeals in advertising—in other words, in the techniques of advertising. Much less progress has been made in increasing the accuracy with which the sales appeals have been selected.

Part of this disparity may be due to the fact that the criteria by which we measure the effectiveness of the presentation are more precise. Starch readership studies, for example, and Gallup-Robinson impact studies give us a pretty good reading as to the extent to which the ads are being read and noted, and the extent to which the salespoints have registered and are remembered. But there are no comparable services which tell us which sales appeals are, and which are not, effective, in accomplishing the objectives of the advertising.

But I think there may be another explanation of why more progress has been made in the technique of presentation—headline, layout, typography, illustrations, captions, etc.—than in the substantive part of the advertising, and that is this: advertising technique is a strictly creative problem, one which the agencies recognize as their peculiar responsibility, and with which their creative people are accustomed to deal.

The question of what sales appeals are most likely to be effective, on the other hand, is not strictly a creative problem. It is not one as to which the judgment of the creative people is necessarily the best. It is a problem of knowing the product to be advertised, and knowing it thoroughly; its various attributes; the various consumer-benefits that it can promise and deliver; finding out which of those product-attributes or consumer-benefits are of importance to those for whom the product is intended; and then deciding what product-image will be most effective in fostering the consumer-attitude and consumer-action that is desired.

This problem is one for which, in my opinion, the advertiser should assume primary responsibility; and I believe that the failure to make more progress in this area has been due at least in part to the failure of the advertiser to assume this responsibility.

Surely the manufacturer knows better than anyone else the underlying reasons that brought the product into existence—the place in the consumer's scheme of living that the product is intended to occupy. Surely he knows better than anyone else what can truthfully be said about the product, in terms of consumer-benefits; and surely he knows—or should know—what kind of product-image he wishes to project.

In deciding what product-attributes and consumer-benefits he will feature in his advertising, he will of course consider and give weight to the opinion of his agency if it can properly assume *its* responsibility—that of presenting these product-attributes and those consumer-benefits in the most effective way possible, and of transmitting the desired product-image memorably and convincingly.

VI. The agency has the right to expect that the product-quality be right, that it be competitively-priced, that it deliver what the advertising promises, and that it have representative distribution and adequate shelf-stocks.

These requirements are so obvious that I shall not comment on them.

VII. The agency should not only be permitted but encouraged to make recommendations with respect to all matters affecting the marketing of products assigned to it.

No intelligent agency will deny that the final decision on all matters of marketing strategy must rest with the client. But this does not mean that the agency should be excluded from participation in *consideration* of these matters. Product-quality and pricing are as important to successful and profitable marketing—perhaps more so—as the selection of copy-appeals, the media to be used, and the manner of presenting the advertising-message. And since the end-result of all the marketing activities is dependent upon placing all of these matters in harmonious juxtaposition, and since therefore the effectiveness of the agency's efforts depends upon the correctness of decisions with respect to *all* these matters, it is only fair that the agency be consulted with respect to them.

But fairness to the agency is not the most important reason why the agency should be expected to interest itself in and make recommendations with respect to all marketing questions. The client has appointed the agency to be its technical adviser in the whole area of marketing. And therefore, while the client is under no obligation to agree with or to accept all the recommendations of its agency, it does have an obligation—to itself even more than to the agency—to give respectful consideration to the opinions and recommendations of the specialists it has engaged for that very purpose.

VIII. The agency should be permitted to present its recommendations, and the reasons therefore, directly to the person or persons charged with responsibility for making the final decision.

In these days of multi-product companies and growing businesses, it is inevitable that decentralization of responsibility and authority, within advertisers' organizations, should be taking place. The size and complexity of many businesses today is such that neither the president, the general manager, the marketing vice-president, nor any other single individual can hope to exercise detailed supervision or direction of all company marketing activities.

As a result, many companies are setting up product marketing managers, to whom they delegate a considerable degree of responsibility and authority. This permits a degree of concentration and specialization in the problems of the individual products that is highly desirable; it helps to avoid bottlenecks that are likely to occur when a top-level general executive tries to take all products under his wing; and for the longer run, it provides a most useful service in giving these product managers an opportunity to develop—in experience, in competence, in the assumption of managerial responsibility.

But a program of decentralization is not self-executing. Not many top managements are willing to delegate to their product managers *complete* authority, complete autonomy. Top management insists, and rightly so, on reserving to itself in varying degrees the final decision with respect to pricing, marketing-objectives, profit-requirements, the appropriation of money for marketing activities, and the marketing-and advertising-strategy.

The completeness of the delegation to a lower management level varies greatly by companies—by the degree of maturity which their decentralization program has attained; by the experience and competence of their product managers, and the extent to which they have proven their capacity to be entrusted with ultimate authority; and even by the temperament and background experience of top management itself.

This means that to a greater or lesser extent, the product manager, while assigned important duties and responsibilities, is—so far as the really big decisions are concerned—a "way station." He analyzes, he plans, he screens and he *recommends*—but he does not decide. He and the agency collaborate in the formulation of strategy and the development of marketing plans. But these plans have to go to a higher level for final approval.

There is nothing wrong with this. But it has resulted, in some instances, in a rather unfortunate state of affairs. Generally speaking, the agency works directly with the product marketing manager—which is surely as it should be. But in many cases, the agency—having presented its plan, its recommendations and the reasons therefore, to the product manager—is not permitted to participate in the presentation of those recommendations to the higher level at which the decision will be made. And this, in my opinion, is *not* as it should be. For one thing, for the agency to be kept sitting in an anteroom (so to speak) while the fate of its "baby" is being decided, is harmful to the morale of the agency, which presumably has worked long and conscientiously in preparing the plan. It certainly contributes nothing to a feeling on the part of the agency that it is a marketing *partner* with the client.

More serious than that, however, is the fact that no one—not even the product manager—can be quite as familiar with every aspect of the plan and the reasons for every recommendation, as the agency people who prepared it. And therefore, no one is as well-qualified to submit it, and to answer questions concerning it, as the agency people.

An agency which has prepared a plan which has met with the approval of the product manager but which, without any agency participation has been disapproved at a higher level, is justified in feeling that the disapproval may have been the result of an inadequate presentation, and that if it had had the opportunity to appear "for" the plan, the result might have been different.

And conversely, if the agency has been given a full opportunity to present its recommendations to the "court of last resort," it can have no complaint, whatever the decision may be.

IX. Whenever a plan or a recommendation of the agency is disapproved, the agency should be given the reasons for the disapproval.

It has always seemed to me that every major conclusion or recommendation by an agency should be convincingly documented, or at least supported by convincing argument. No agency has the right to submit an unsupported recommendation. The facts and the reasoning behind the facts should be carefully spelled out; the alternative conclusions and solutions should be enumerated and evaluated—so that the client can see for himself that the subject and the various possible solutions have been considered and ex-

plored, and so he can judge for himself as to the validity of the premise and the soundness of the reasoning upon which the final recommendation has been based.

Believing in that point of view, I believe also that what is sauce for the goose should be sauce for the gander. Not all agency recommendations are going to be approved. But in the event of disapproval, the client should explain clearly why the recommendation was rejected.

For one thing, the morale of the agency is involved. An explanation of the reason for the disapproval gives assurance to the agency that the agency's point of view has been given careful consideration, and also that the decision has not been arbitrarily legislated.

But again, the most *important* reason for enlightening the agency is that only by so doing will the agency be able to intelligently renew its attack upon the problem and develop a plan that is compatible with the underlying wishes of the client.

X. The client should provide within its organization, competent leadership and direction for the agency.

That the agency should have to be worthy of, and win, the respect of the client—for character, integrity, objectivity, business judgment and marketing competence—has been emphasized earlier in this talk.

But that is only one side of the coin. The agency must be able to respect the client, too—its ideals, policies, products, its integrity and its character.

And just as the client must have respect for the ability and judgment of the personnel who handle and supervise the account, the agency must be able to respect the competence and judgment of the person or persons who, on the client's side, are charged with the responsibility for directing the work of the agency.

Here again the trend toward decentralization of responsibility, within the client's organization, creates something of a problem.

It would, of course, be highly desirable if in every respect—length and scope of experience, maturity and soundness of judgment, understanding of advertising and of marketing generally, even of compensation—the agency's account supervisor and his opposite number, the client's product manager, could be approximately at parity. This would make for a climate conducive to effective collaboration.

Unfortunately, this is seldom possible. For one thing, the concept of decentralization is relatively new. It has not been possible, as yet, to train and prepare *enough* men for product manager responsibilities to come close to keeping pace with the increase in the need, and therefore, of very necessity, many product managerships are, during this interim period, being filled by men who are relatively young, inexperienced and lacking in seasoned and mature judgment.

Now this creates something of an impasse. Experienced marketing men are not developed overnight. It will be some time before the number of thoroughly competent marketing men will supply the demand.

The quick and obvious answer to the impasse is to upgrade the position of product manager—and I firmly believe that this should be done to the fullest extent possible and as rapidly as possible. From the standpoint of remuneration, I should like to see product manager jobs rated as nearly as possible on a par with those of agency account supervisors, and not only with respect to remuneration, but with respect to the experience—and skill-requirements for the job as well.

But this provides no immediate solution. There aren't enough men for that caliber available. And besides, management, generally speaking, hasn't become sufficiently aware of the key part that product managers must play in the marketing program, to have accustomed themselves to the need for paying the kind of salaries that the importance of the job warrants.

It seems to me that the only practical solution is to move step by step, rather than all at once, in the direction of decentralization. Delegate as much responsbility and authority as the caliber of the lower echelons of management permits; retain, at somewhat higher levels, a greater degree of decision-making responsibility than will eventually be necessary, and at the same time, work constantly to train and develop the product managers so that as rapidly as possible they may be ready for a greater degree of final authority, and for the more complete handling of relations with the agency.

But by whatever means it is accomplished, it is important to assure the agency that it will not be frustrated in its efforts by supervision in which whim or caprice of unskilled, immature judgment takes the place of the kind of leadership it is entitled to expect.

XI. With respect to important matters, the agency should feel free to appeal to the topmost marketing executive.

It is unquestionably desirable that in the great majority of instances the agency and the product manager should reach agreement as to the course to be pursued. Agreement at this level greatly simplifies the decision-making responsibility at a higher level—because unanimity on the part of the product manager and the agency can, and should, carry great weight with the marketing vice-president and even with the president.

But since advertising and marketing are not exact sciences, decisions with respect to them necessarily involve judgment; honest and intelligent differences of opinion can and do exist.

Consequently, it frequently happens that the product manager and the agency may differ—and each may feel so deep a conviction in the correctness of his position that the divergence cannot be reconciled. This is not unnatural, it is not unhealthy. But it calls for a procedure that will provide the greatest possible assurance that the final decision will be correct, and that at the same time will leave no scars on whichever one is overruled.

There is nothing difficult about providing such a procedure. All that is necessary is to have it clearly understood that whenever agreement between the agency and the product manager cannot be reached, *and* either one feels that the issue is important enough to justify asking the next higher level of management to resolve the impasse, that will be done. In asking for a decision at a higher level, both the agency and the product manager should be present; each should present the arguments supporting his position, and the arguments should be presented impersonally and with complete objectivity on both sides.

In this way, and this way alone, can the top management assure the agency that its honest opinions and convictions are wanted, that they will be considered—if necessary—all the way to the top, and only in this way can the client derive the utmost possible benefit from the judgment and the experience of its marketing partner—the agency. ■

FOOTNOTES

Honesty is best, but is it policy?

We suppose there's hardly anybody in the business who hasn't heard that Grey Advertising lost the Kolynos account as the result of some comments made on a television show by Grey president Arthur Fatt. There's a great deal to be learned from the incident besides the obvious fact that it pays to be discreet when mentioning a client publicly (a policy followed by most agency executives to absurd extremes).

Mr. Fatt appeared on an interview show called Nightbeat run by Howard Whitman, who specializes in an imitation Mike Wallace-type of interview which occasionally leaves us squirming with embarrassment for the people he interviews. In Mr. Fatt's case we weren't embarrassed for him, we were merely outraged by the methods used to extract certain answers from him, and of course, by the petulant snatching of Kolynos away from Grey by Whitehall Pharmacal a couple of days later. All that Mr. Fatt said was that he had used Crest toothpaste (a Procter & Gamble product) that morning and that he doubted if there is any real difference among the various major brands of toothpaste. It is possible that Mr. Fatt merely wanted to see if there was something about Crest which makes it sell so much better than Kolynos and frankly we doubt if there *is* very much difference among the major brands.

The point is that Mr. Fatt actually said so. The question is *why* did he say so? After all, Mr. Fatt is a veteran in the advertising business and knows the rules (the bad ones as well as the good ones) as well as anybody and better than many. What happened is simply what has happened so many times before on this particular program. With a questioning technique reminiscent of Roy Cohn, Whitman, like Mike Wallace takes every advantage of his guests' inexperience in acting, in appearing on television and of the nervousness which afflicts anyone but a professional.

Like Wallace, he appears to us to be quite ruthless on this score and no doubt it accounts for his popularity just as the subject matter of Confidential accounted for its fantastic circulation. It reminds us of some of the industry newsletters which periodically plague advertising. Like Wallace and Whitman, some of them are ruthless in their approach and, much worse, masters of distortion and invective.

For any business executive (not just in advertising) the lesson seems pretty clear: avoid such people whether they are newsletter editors, television interviewers or whatever. They can be used and useful, but they invariably use the confidence you have given them against you eventually. Their success depends on it. You cannot win, since they can always do another show or write another newsletter. Just leave them alone and after a time they always go away.

Mr. Fatt did not and that was his only mistake—if, indeed, it will turn out to be a mistake. After all, does a good advertising agency really want a client capable of such a silly thing?

The Editors

"You seem to think that the wants of mankind are always ready for the supply . . ."

Thus in <u>1817</u> wrote Robert Malthus*, first of the great Cambridge economists, to David Ricardo.

". . . while I am most decidedly of opinion that <u>few things are more difficult than to inspire new tastes and wants,</u> particularly out of old materials; that one of the great elements of demand is the value that people set upon commodities, and that the more completely the supply is suited to the demand the higher will this value be, and the more days labour [*higher price: ed.*] will it exchange for, or give the power of commanding."

How long will the "Habit Lag" be allowed to <u>hold</u> <u>down</u> our economy?

<u>Americans</u> <u>can</u> <u>and</u> <u>should</u>—say economists today—be living 50% better within 10 years. Will the fact that people do not immediately raise their standard of living as they move up the income ladder defeat this aim?

There is no question of our production capacity being able to reach this goal. *But, consumption is not keeping up with our ability to produce.*

Why?

In the past six years over 12 million families moved into income brackets above $4,000. They have a rising *ability* to buy.

Why don't they buy in proportion to their ability?

The answer lies in the Habit Lag . . . *the pause that follows a move up the income scale.*

As Malthus, the great Cambridge economist, argued—people do not buy more and better products *automatically*. They are *slow* to learn to live better.

Will American business be slow to learn this fact?

In time, your customers *will* learn to live better.

But, on their own, they will not learn *fast enough* to keep up with your genius for increased production.

Yet—it is possible to cut down this Habit Lag.

And that is the marketing job in the next 10 years! *Fail*—and we must apply brakes to our expanding economy. No American wants that.

To cut down the Habit Lag we must expand our marketing efforts—from product design to consumer education—with the same vigor and imagination with which we are expanding our production. One can not go up without the other.

*Robert Malthus probably is best remembered for his *Essay on Population*. David Ricardo was Malthus' friend and the other great economic thinker of his day. The late Lord Keynes once observed that the world listened to Ricardo instead of Malthus and sent the trend of economic thought along the wrong bypaths for one hundred years.

J. Walter Thompson Company

New York, Chicago, Detroit, San Francisco, Los Angeles, Hollywood, Washington, D. C., Miami, and principal international markets

To Susie with love, on Christmas Day

There are 43 Clauses, 2 Kringles, and no Scrooges in Chicago and suburbs.

Thousands of Santa's oldest friends and ablest helpers live here, too. (See the Tribune's 48-year-long list of Good Fellows.)

It all started back in December, 1909, when the Tribune received a letter reporting the plight of Chicago's needy children. The Tribune published the letter and the Good Fellow movement was born. It has become an annual Tribune event. Other cities picked it up—and now it is national.

Tribune activities—and Tribune advertising—are effective because the Tribune gets close to the heart of Chicago.

It reaches as many people in Chicago and suburbs as the seven top weekly national magazines combined! More than 6 times as many Chicagoans read the Tribune as turn on the average evening TV show.

That's why one of Chicago's department stores was able to sell more than $45,000 worth of slip covers as a result of a single Tribune page. Why another page brought over 5,000 customers to Kroch's & Brentano's new book store on opening day. Why Brooks Brothers, using the Tribune exclusively, has more than doubled its business in seven years.

Advertisers bought the equivalent of more than 20,000 pages in the Tribune in 1957. Why not make the Tribune part of your plans for 1958?

THE TRIBUNE CAN DO ALMOST ANYTHING IN CHICAGO